FBIS DAILY REPORT

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REPORTAGE ON OUTCOME OF RECENT CONTADORA MEETING

Ministers Sign 'Compromise'

PA090220 Hamburg DPA in Spanish 2246 GMT 8 Apr 86

[Text] Panama City, 8 Apr (DPA) -- The "Panama Compromise," signed by 12 of the 13 foreign ministers who attended the 3-day summit in Panama City, includes the guidelines leading to the signing of the "Act for Peace and Cooperation in Central America." Nicaragua did not sign the compromise.

The document reads:

1. Warning: The military escalation during the past few weeks and the policy of force and more frequent border incidents in Central America have worsened the regional conflict.

2. Ratification: We ratify the "Carabelleda Message for Peace, Security, and Democracy in Central America, and we endorse the recent "Punta del Este Communique." [quotation marks as received]

3. Support: We support the initative for the creation of the Central American parliament.

4. Act for Peace and Cooperation: This act is the essential basis for peace in Central America. We convoke a meeting in Panama City on 6 June 1986 to sign the act in the presence of the UN secretary general, the OAS general secretary, and the president of the EEC Council of Foreign Ministers.

5. The process of negotiation will begin on 8 April 1986 and will include only the pending aspects: control and reduction of weapons, international military maneuvers, and verification and control.

6. Nonaggression: The Central American foreign ministers declare that their respective governments will not resort to threats or the use of direct or indirect force against the sovereignty, territorial integrity, or political independence of any of them.

7. Nonintervention: In order to achieve peace in the region, it is necessary for all the parties involved in the Central American conflict to abstain from supporting unconventional forces or insurrectional movements operating in the region or which try to subvert or destabilize the constitutional order by force or terrorist acts.

8. National Reconciliation: In order to encourage political dialogue in those Central American countries where society is profoundly divided, actions for national reconciliation which permit popular participation with full guarantees in real political-electoral processes based on justice, liberty, pluralism, and democracy should be immediately promoted and continued. To this end, the mechanisms to facilitate the dialogue with opposition groups should be created.

Signed in Panama City on 7 April 1986 by Foreign Ministers: Roberto Costa de Abreu Sodre (Brazil), Dante Caputo (Argentina), Enrique Iglesias (Uruguay), Allan Wagner (Peru), Bernardo Sepulveda (Mexico), Augusto Ramirez (Colombia), Simon Alberto Consalvi (Venezuela), Jorge Abadia (Panama), Mario Quinonez (Guatemala), Rodolfo Castillo (El Salvador), Carlos Lopez (Honduras), and Carlos Jose Gutierrez (Costa Rica).

Gutierrez on Commitment

PA081805 San Jose Radio Reloj in Spanish 1200 GMT 8 Apr 86

[Text] According to a commitment made in Panama, the peace document will be signed on 6 June by all of the countries involved, even if Nicaragua does not sign it. Costa Rican Foreign Minister Carlos Jose Gutierrez has reported that the foreign ministers of Central America, the Contadora Group, and the Support Group have agreed to this, adding that prior to signing the document the situation will be studied in our country on 8 May, when the foreign ministers will meet on the occasion of President-elect Oscar Arias Sanchez's inauguration.

Gutierrez said that despite the results of the Contadora meeting, it still cannot be described as a failure, because definite agreements were made to establish clearly which countries support the Contadora Group initiative and which do not want regional peace. The final negotiations to complete the peace document will resume within 2 months and will continue until 6 June, although it was established that if Nicaragua does not agree to sign the document, the position of the Contadora Group would still be well defined. The aspects that remain to be established in the peace document refer to the control and verification of arms and the number of military troops, which must be included in the document with the consensus of all of the countries.

Nevertheless, Nicaragua rejects these aspects because it believes that so long as there is a possibility and a threat of a U.S. invasion it cannot make this type of commitment. Foreign Minister Gutierrez said that if Nicaragua does not accept the terms of the commitment made in Panama it will be held fully responsible. The Panama commitment calls for the five Central American countries to sign the document of peace and cooperation in Central America, because the diplomatic negotiating process promoted by the Contadora Group is the only viable means to reach a political understanding that will ensure the fulfillment of the established commitments, which constitute the essential bases for peace in the area.

The document also states that the achievement of these objectives depends on the political willingness of the countries involved as well as the decision of the countries that have ties and interests in the region to abstain from carrying out actions that will thwart these efforts.

Group To Discontinue Role

PY081405 Paris AFP in Spanish 1149 GMT 8 Apr 86

[By Roberto Rodriguez]

[Excerpt] Panama, 8 Apr (AFP) -- After 39 months of persistent struggle in the quest for a negotiated solution to the Central American crisis, the Contadora Group has announced that its efforts will be discontinued on 6 June, whether or not the document for peace and cooperation in the area is signed.

The fate of this lengthy and hazardous negotiating process will actually be decided in the next 8 days by the five Central American governments, which have to answer, within this period, whether or not they will attend the meeting on 6 June in Panama to sign the regional peace treaty. This warning was issued by the member countries of the Contadora Group which, backed by the Support Group, announced on 7 April, after 3 days of meeting in this capital, that the time has come for the Central American countries to decide whether or not they want peace.

If the reaction to the deadline is positive, Contadora and the five governments of the area will launch a veritable race against the clock to overcome in 2 months the differences they have not been able to surmount in almost 1 year of bitter and tiresome debates regarding the pacification of the area. The peace and cooperation document came up for discussion in September 1984, and since then it has undergone lengthy and repetitive debates.

ARGENTINA'S ALFONSIN OPENS ALADI MEETING

PY072250 Buenos Aires TELAM in Spanish 1512 GMT 7 Apr 86

[Text] Buenos Aires, 7 Apr (TELAM) -- President Raul Alfonsin today exhorted Latin American countries to face reality in a different manner and to realize that a market suitable for our needs is something that must be built from scratch and organized with more appropriate systems, in keeping with our real capabilities. Alfonsin, who this morning opened the ALADI meeting in the San Martin Culture House in this capital, qualified the current international economic situation as serious. He said that the post-war economic and financial order, generated by the IMF, the World Bank, and the GATT at an international level and the regional banks and the integration associations at a regional level, was exhausted during the last decade.

He stated that distorted international relations caused an enormous amount of Latin American resources to be transferred to the developed countries and added that the heavy burden of our foreign debt payment must be added to other factors of the international economic development system which practically forbid our development.

Among these factors he mentioned the growing trade protectionism applied by developed countries, the extreme deterioration of exchange rates between raw and industrialized products, the high international interest rates, and the growing unwillingness of the international and regional organizations to grant financial aid. Alfonsin said that it is a paradox that the same developed countries that limit our participation in international trade are the ones that, as creditors, demand that we make greater efforts with our exports to be able to pay our foreign debt. They demand we make efforts to pay and [words indistinct].

He accused the industrialized countries of applying a more severe protectionist policy against the developing countries than that applied among themselves through the lowering of tariffs within the GATT framework. Alfonsin said that while customs fees are liberalized among the developed countries, this is not the case for products that are of direct interest for our countries. As an example the president mentioned the areas of energy, farming, textiles, clothing, shoes, leather, and wool products.

He said that Latin America is in an extremely vulnerable position as a result of these measures, and our capability to influence the policies of the developed countries diminishes while our economic and financial problems worsen. Alfonsin pointed out that since 1982 some measures implemented by Latin American countries have not had any relationship to the measures these same countries maintain with third countries.

I regret that our countries, against their will, have apparently alienated themselves instead of asking each other for help to face the crisis with an attitude of real solidarity. He recalled Argentina's integrationist willingness when in 1964, during the Arturo Illia administration, Argentina signed the Alta Gracia document on Cordoba, which was an important collective effort for agreement.

Alfonsin mentioned that in the last 2 years Argentina has implemented joint actions in the region regarding two of the most important political issues we are facing: the Consensus of Cartagena for the foreign debt, and the Contadora and Support Groups for the Central American conflict.

The president believes that ALADI should prepare joint actions and that in this regard we should try harder to give a preferential character to interregional trade and reciprocal relations among the member-countries. He referred to the institutions and mechanisms created to make Latin American integration possible by adapting the successful models of other regions. However, he said that the real situation is not as clear as our hopes, and the mechanisms we have tried have not so far given us the results that would allow us to say that the integration process is going the way we want it to .

Alfonsin added that Latin America is now organized like a centrifugal force and that every country is directing its efforts, through trade and credits, more toward the outside than toward the region. He said that our regional area should be structured and that the challenge now is to build from scratch by searching for new ways of organization and systems adequate for our real capability.

Alfonsin indicated that Latin American integration is a very big task because it is not simple, but he added it is something that deserves all our efforts and is worth the attempts. Alfonsin said that the Argentine Government believes that only if the countries of the region show clear political willingness will we be able to move toward a process of real integration and that through the renewed impulse of the Latin American democracies we will find the necessary force to create a new style of political, economic, and commercial relations that will allow us to begin now, after 150 years, the second emancipation of Latin America.

SOCIALIST INTERNATIONAL COMMENTS ON FALKLANDS

PY072318 Buenos Aires DYN in Spanish 2009 GMT 7 Apr 86

[Text] Buenos Aires, 7 Apr (DYN) -- The congress of the Socialist International for Latin America and the Caribbean has expressed support for the Argentine claim of sovereignty over the Malvinas Islands and "concern" over the British military base on the island. Support for the Argentine claim was adopted during the congress recently held in Santo Domingo, Dominican Republic, in a final declaration that calls on the British Government "to begin negotiations including the sovereignty issue."

The position of the Socialist International for Latin America and the Caribbean was today emphasized by Radical Senator Antonio Berhongaray, secretary of the Radical Civic Union National Committee and an observer at the meeting. The final declaration also expresses "the concern of the Socialist International over the British military base on the Malvinas Islands" saying that it is a military installation that has become "a destabilizing element for all the Latin American countries in the South Atlantic."

During the meeting Senator Berhongaray gave a report on the Argentine political situation and especially on the Malvinas. He also submitted jointly with the Peruvian delegation a project for struggle against drug trafficking as a regional problem. Upon expressing his satisfaction over the Socialist International position, Berhongaray pointed out that the declaration is very important "considering that many of the parties that make up the Socialist International, such as the British Labor Party of Neil Kinnock, the Spanish Socialist Party of Felipe Gonzalez, the French Socialist Party of Francois Mitterrand, the party of Italian Bettino Craxi, and the Social Democracy of Willy Brandt belong to countries which are members of NATO.

NAVY RATIFIES COMMUNIQUES ON SUBMARINE SIGHTING

PY081559 Buenos Aires TELAM in Spanish 2224 GMT 7 Apr 86

[Excerpt] Buenos Aires, 7 Apr (TELAM) -- The Navy General Staff today reaffirmed the sighting of an unidentified submarine near the city of Mar del Plata and denied a news report released today that suggested that the sighted submarine belongs to the Argentine Navy and was participating in the shooting of a film. The text of the official communique reads as follows: In view of a report released today referring to the aerial sighting of an unidentified submarine in Argentine waters on 26 March, putting in doubt the correct information released by the Navy, the Navy General Staff ratifies its communiques of 26 March and April 1986. These communiques were released in compliance with the norms established to prevent possible information errors. The Argentine Navy submarine that participated in the shooting of the film ended this task and entered the port of Mar del Plata on 25 March, at 1145.

BOLIVIA EXPRESSES INTEREST IN 'PAMPA' FIGHTERS

PY081601 Madrid EFE in Spanish 2055 GMT 7 Apr 86

[Text] Buenos Aires, 7 Apr (EFE) -- Division General Jorge Eduardo Rodriguez Bravo, commander in chief of the Bolivian Air Force, announced today that the Bolivian Government is interested in purchasing 12 military planes manufactured by an Argentine-Brazilian consortium.

Rodriguez Bravo, who is on an official visit to Argentina, expressed interest in these new planes after visiting the airplane factory in the city of Cordoba, 755 km northwest of Buenos Aires. He is interested in the IA-63 "Pampa" model, a modified version of the "Pucara" used by Argentina in the war over the Malvinas Islands against Great Britain. Gen Rodriguez Bravo observed an exhibition flight of a prototype of the "Pampa."

LAWMAKERS REFUSE MEETING WITH UK MP'S

PY082050 Buenos Aires TELAM in Spanish 1729 GMT 8 Apr 86

[Special report]

[Text] Mexico, 8 Apr (TELAM) -- A delegation of Argentine lawmakers participating in a meeting of the Interparliamentary Union that began here yesterday has refused to participate in a get-together held last night by the British delegation, which invited the Latin American representatives. Also, in the room where the sessions are being held, UCR [Radical Civic Union] Balbino Zubiri condemned the arms race and the introduction of nuclear weapons in the South Atlantic by Great Britain during the conflict over the Malvinas Islands. The decision to reject the British invitation was made during a meeting held Sunday evening in the house of Argentine ambassador to Mexico, Facundo Saurez.

The spokesmen for the Argentine congressional group stated that a bilateral meeting with the British delegation was preferable and added that if the other side took the initiative to call such a meeting, UCR Senator Luis Leon would respond. In this way, and in a fashion similar to what happened in previous meetings, the dialogue concerning the Malvinas issue will reportedly take place in private meetings, removed from news coverage.

Otherwise, the Argentine delegation has joined in the tasks of this meeting of world congressmen, which was opened yesterday by Mexican President Miguel de la Madrid Hurtado. In the opening speech, the host head of state stated that the World Union of Congressmen may actively and definitely contribute to stopping the dangerous increase in political and military tensions as well as the serious deterioration of the world economy.

For his part, before representatives from more than 100 countries, Argentine lawmaker Zubiri argued that in order to put an end to the international arms race one must be convinced that a single day of war in the northern hemisphere would be equivalent to a holocaust and the end of this civilization. The Argentine delegation assigned UCR deputies Zubiri and Alfredo Mosso to the group that will draw up a statement on the arms race, Justicialist lawmaker and Blockist Senator Carlos Gomez Centurion to the group involved in international terrorism, UCR lawmaker Leopoldo Moreau and Justicialist Senator Arturo Gimenez Montilla to the group that will discuss the international economic situation, and Senators Luis Leon and Julio Amoedo to the group discussing general matters.

CAPUTO: CONTADORA MEETING 'NOT A SUCCESS'

PY090248 Buenos Aires DYN in Spanish 0041 GMT 8 Apr 86

[Text] Buenos Aires, 8 Apr (DYN) -- Foreign Minister Dante Caputo admitted today that the latest Contadora Group meeting, to find a peace alternative in Central America "was not a success," and that despite the diplomatic efforts, "we are not closer to peace in the region".

Upon his return from Panama, Caputo recalled that the Contadora Group set an 8-day deadline for the Central American countries involved in domestic and foreign conflicts to make a decision to sign the Peace and Mutual Nonaggression Agreement. Caputo said that "we expect those countries to demonstrate their goodwill by working out the points that prevented them from accepting the proposals made by the Contadora Group and the Contadora Support Groups in Panama."'

Referring to a future meeting, Caputo said that "it will depend on the five Central American countries, and the question is now in their hands." Answering another question along the same line, Caputo said that the Contadora Group and its Support Group "did not accomplish what we would have liked to, and I would have preferred to return knowing that the decision of the Central American countries had been unanimous." He then added: "However, I believe that saying that the Contadora Group no longer has any reason to exist is an exaggeration."

After explaining that the Panama document was not "hard," Caputo mentioned the attitude of the Sandinists who demanded that assistance to the contras be stopped. Caputo said that "now the problem is how to attain peace and added that such a demand does not seem to help to see clearly how peace can be attained." [quotation marks as received] Caputo then said that "we tried at all times to find reasonable and possible solutions to stop the use of force in the region."

Finally, the Argentine foreign minister said that peace in Central America could be secured "if the five countries in conflict decided among themselves to show the world that they have agreed to produce a legal instrument binding them to maintain peace in the region."

SENATORS TO MEDIATE BETWEEN GOVERNMENT, CGT

PY090113 Buenos Aires DYN in Spanish 0015 GMT 9 Apr 86

[Text] Buenos Aires, 8 Apr (DYN) -- Senate bloc leaders will mediate between the government and the General Confederation of Labor [CGT], it was agreed today at a meeting Senators Oraldo Britos and Luis Brasesco held with CGT Secretary General Saul Ubaldini. The mediation will be implemented through a meeting with President Alfonsin. Vice President Victor Martinez will ask the president to receive the Senate bloc leaders and the main union leaders.

BRIEFS

COST OF LIVING INCREASES -- (NA-DYN) -- The cost of living rose 4.6 percent last month, the National Institute for Statistics and Censuses (INDEC) announced last night. Wholesale prices rose 1.4 percent and the cost of construction 1.3 percent including 0.2 percent for labour. Inflation at retail and wholesale levels is thus the highest since last July and August respectively. [Excerpt] [Buenos Aires BUENOS AIRES HERALD in English 5 Apr 86 p 1 PY]

ENVOY TO BRAZIL APPROVED -- The Brazilian Government on 26 March agreed to the designation of Hector Subiza as Argentine ambassador to Brazil. Subiza will replace Rafael Vazquez, who retired at the end of 1985. [Summary] [Buenos Aires CLARIN in Spanish 27 Mar 86 p 5 PY]

24-HOUR STRIKE INCLUDES STUDENTS, MEDIA WORKERS

PY081435 Paris AFP in Spanish 1356 GMT 8 Apr 86

[Text] La Paz, 8 Apr (AFP) -- It was observed here today that the industrial workers, private employees, bank employees, private schools (state schools have not yet resumed classes), journalists, and university students are fully complying with the Bolivian Labor Confederation's (COB) call for a 24-hour strike. The strike has been called because Victor Paz Estenssoro's government refuses to increase the teachers salaries, which is why the state schools have not been able to resume classes for the past 2 months.

The teachers maintain that it is impossible to live on a salary of $15 per month, which, they say, is not sufficient even to pay the fares from their homes to the schools where they work. Meanwhile, the government has stated that the nation's treasury cannot pay an increase. AFP has also observed that some strikers have blockaded the access roads to El Alto International Airport, delaying international flights. Moreover, local flights have been cancelled because the airport employees are also obeying the COB's order to strike.

None of La Paz' three morning newspapers were published today. The private television channels and most of the country's raido stations are off the air. This is because the media employees have decided to follow the instructions of the Federation of Press Employees of Bolivia (FTPB), which is a member of the COB. The strike's most important event will be the march of workers, university students, and family heads that is scheduled for the next few hours.

Police, Demonstrators Clash

PY082118 Paris AFP in Spanish 1953 GMT 8 Apr 86

[Text] La Paz, 8 Apr (AFP) -- Groups of demonstrators, workers, students, teachers, and housewives were today harshly repressed by the police during a rally staged to protest the government's educational policy. Security forces used tear gas while fighter planes and helicopters overflew the city in an apparent effort to intimidate the demonstrators.

The rally, which coincided with a 24-hour general strike called by the Bolivian Labor Confederation (COB), was designed to demand wage increases for teachers and a higher budget for the university. The road to El Alto International Airport was repeatedly blocked by factory workers. This action, according to reliable sources, prompted the deployment of the national police to that area. According to union leaders, observance of the strike stands at 90 percent, with the exception of the public and banking sectors. The government has not yet made a final evaluation of the strike.

Ministers Comment

PY082000 La Paz Radio Illimani Network in Spanish 1700 GMT 8 Apr 86

[Excerpts] Information Minister Herman Antelo and Labor Minister Walter Rios Gamboa will provide specific information on the current situation throughout the country, in relation to the stoppage decreed by the Bolivian Labor Confederation (COB). The information minister will speak first.

[Begin Antelo recording] With the cooperation of the Interior Ministry we have made an assessment of the current situation in relation to the stoppage decreed by the COB. Summarizing, the results of the evaluation are as follows:

In Santa Cruz activities are practically normal. It is believed that the stoppage is 20-percent effective. In Cochabamba the stoppage is estimated to have a 50-percent following. As far as street movements are concerned, small groups of university students are picketing, but they are being dispersed by the police to permit the free circulation of people.

In Oruro a peaceful march of approximately 800 people took place. In Sucre the situation is absolutely normal. The main report there has to do with the trial against General Garcia Meza. In this regard I can inform you that the trial has been recessed until next Monday.

In the cities of Trinidad and Cobija the situation is absolutely calm, and activities are being carried out normally. In La Paz the citizens have been able to verify that there are some university students picketing downtown, but they are being dispersed by the police to prevent blockades. There has been no response to the march scheduled for 0900 this morning by the COB. As I said, there are only these small groups of university students, moving from place to place and being dispersed by the police.

However, in some higher places of the city, as in El Alto, there have been some underworld elements who are trying to take advantage of the situation, but they have also been controlled by the police. The highway leading to El Alto is absolutely clear, and police are patrolling the area. There are no reports of road blocks, and should there be any such attempts the forces of order will prevent them because the roads are under control. This is all I can tell you, because, as I said, this report has been prepared jointly with the Interior Ministry. The Labor Minister will now give more detailed information on the behavior of the labor sector. [end recording]

[Begin Rios Gamboa recording] I will begin by saying that through Ministerial Resolution 09486, the 24-hour strike declared by the COB has been declared illegal, and legal consequences may result. This is because the provisions of Article 5 of the general labor law has not been fulfilled, thus hampering the normal development of activities throughout the nation. [end recording]

GARCIA MEZA DENIES ACCUSATIONS OF MURDER

PY081509 Paris AFP in Spanish 1349 GMT 8 Apr 86

[Text] La Paz, 8 Apr (AFP) -- Former de facto President General Luis Garcia Meza (1980-1981) has denied that he perpetrated or masterminded the killing of socialist Congressman Marcelo Quiroga Santa Cruz or that of eight Movement of the Revolutionary Left (MIR) leaders. The Bolivian Supreme Court of Justice yestereday began the trial of Gen Garcia Meza for these murders. While appearing in court in Sucre, southern Bolivia, answering the suit for damages filed by the National Congress and the Bolivian Labor Confederation (COB), Gen Garcia Meza yesterday answered questions posed by the prosecuting attorneys and the Supreme Court justices.

In response to everyone's expectations, Gen Garcia Meza stated that he assumed responsibility for the Presidency of the Republic on 17 July [1980], not through a military coup d'etat but as a result of an institutional process evolving within the Armed Forces. Gen Garcia Meza added that he had not yet assumed the position of head of state the day Quiroga Santa Cruz was killed -- 17 July -- and therefore he is not responsible for the events that occurred on that date.

In connection with the shooting of the MIR leaders -- of whom only Gloria Ardaya survived -- Gen Garcia Meza said that he was not in the city of La Paz at that time and that he was informed of the events several hours later.

Political, trade union, and government sources have expressed surprise over Garica Meza's boldness in appearing before the Supreme Court, and it is expected that an official statement will be released soon. Reports datelined Sucre have noted that in view of the signs of protest and repudiation against the former president by students, teachers, workers, and citizens, the authorities have deployed police forces to protect Garcia Meza and his assistants, who are being tried with him. Among these assistants are former Foreign Minister Javier Cerruto, former Planning Minister Oscar Larrain, former Health Minister Lider Sossa, and other high-ranking members of his government. Radio Loyola stated that Gen Garcia Meza entered the Supreme Court building accompanied by several bodyguards.

The Bolivian people were caught by surprise by Garcia Meza's bold action amid the tense situation arising from the confrontations between students and teachers with policemen, the 24-hour COB-sponsored stoppage and road blocks and rumors that the government will impose a state of siege within the next few hours.

FRG'S WARNKE PLEDGES ECONOMIC ASSISTANCE

LD052058 Hamburg DPA in German 1942 GMT 5 Apr 86

[Text] La Paz, 5 Apr (DPA) -- Juergen Warnke, federal minister of economic cooperation, has promised the Bolivian Government Bonn's support in its efforts to overcome its grave economic crisis. Warnke, who ends his 4-day visit to Bolivia on Sunday, said after talks with President Victor Paz Estenssoro and several ministers in La Paz that the efforts at containing inflation by the government, which came into power 8 months ago, had been considerable. Bolivia's inflation rate in 1985 was 8,170 percent, and was thus the highest in the world.

Warnke said he would try to ensure that the IMF would no longer delay the standby credit of $57 million promosed to Bolivia. At the same time he promised new German development credits for Bolivia by the end of this year totalling about DM 50 million. Over the weekend Warnke visited a German development project in the highlands. Further steps on his tour, which took him earlier to Uruguay, Argentina and Chile, will be Honduras and the United States.

BRIEFS

BRAZILIAN AMBASSADOR RECEIVED -- Bolivian President Victor Paz Estenssoro received a few hours ago the credentials of the new Brazilian ambassador to Bolivia, Luis Orlando Carone Celio. The new ambassador stated that he will work hard to strengthen the fraternal, commerical, and cultural relations between Bolivia and Brazil. He also announced that a bilateral agreement will be signed on Wednesday, 2 April, to set up a joint commission to study the situation of Bolivian and Brazilian citizens living illegally in both nations. [Excerpt] [La Paz La Red Panamericana in Spanish 0000 GMT 2 Apr 86 PY]

DRUG COOPERATION AGREEMENT WITH U.S. TERMINATED

PY081851 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 8 Apr 86

[Text] The Brazilian Government has not renewed the cooperation agreement with the United States on the struggle against drug trafficking. The Brazilian authorities do not agree with the U.S. methods, which do not address the prevention and treatment of drug addiction. When the agreement was in effect, Brazilian policemen received weapons, equipment, and instructions to combat the traffickers.

FUNARO REAFFIRMS POSITION OF FOREIGN DEBT

PY062015 Paris AFP in Spanish 2259 GMT 3 Apr 86

[Text] Rio de Janeiro, 3 Apr (AFP) -- Speaking to foreign press correspondents, Economy Minister Dilson Funaro said here today that his country shares the position of the Cartagena Consensus toward the foreign debt.

Funaro, who will go to Washington next week to participate in the meeting of the IMF acting committee of governors and of the Group of 24 (8 Latin American, 8 African and 8 Asian countries) within this organization, added that each country is responsible for its own foreign debt negotiations. He went on to say this position is shared by all the Latin American countries that signed the Cartagena Consensus which, he said, is not a cartel of indebted countries. He emphasized that each country adopts the position most suited to its interests.

Funaro indicated that Brazil is fulfilling its obligations to its international creditors to whom it is paying the interest on its $105-billion foreign debt and has not requested any new loans. He also said that the lowering of interest rates and protectionist barriers in industrialized countries is necessary if indebted countries are to be able to fulfill their foreign debt commitments.

According to the Brazilian finance minister, the international financial crisis was caused by the creditors, not the debtors, because the flow of capital was interrupted and interest rates were increased. In his opinion nothing has been done to overcome the crisis. He added that in the talks he held with the creditors, they commented on the need to manage the crisis, not resolve it. In response to a question, Funaro said that Brazil will not sign any letter of intent with the IMF unless it can fulfill it. He recalled that the previous government had set targets that it was unable to fulfill regarding its commitments.

The minister also said that during his upcoming trip to Washington he is not going to renegotiate Brazil's foreign debt and indicated that his will be done in 1987. First we are going to stabilize the plan of economic reforms that we are now implementing, Funaro said.

Regarding Brazil's debt to countries belonging to the Paris Club (made up of 16 Western countries) amounting to some $2.9 billion in commitments that fell due in 1985 and those that will fall due in 1986, Funaro said that two of his advisers will travel to Paris after participating in the IMF meetings in Washington.

JAPAN, SWEDEN CONSIDER ROCKET LAUNCHER DEAL

PY051259 Rio de Janeiro O GLOBO in Portuguese 3 Apr 86 p 20

[Text] Sao Jose dos Campos -- A conglomerate of Japanese industries headed by Mitsubishi Heavy Industries, a giant in the Japanese heavy industry sector, and the Bofors company of Sweden are negotiating directly with Avibras [Brazilian Aerospace Industry] for authorization to manufacture under license the Astros II multirocket launcher. This rocket launcher was invented by Brazilian military researchers and engineers. It is manufactured with some technology provided by Contraves of Switzerland. According to military sources, Brazil is interested in the deal. It could mean a minimum income of $400 million for Avibras, which is located in Sao Jose dos Campos, 90 km outside Sao Paulo. According to the first understanding that has been reached, Japan will manufacture the Astros II only for the use of its own Defense Forces, because under a treaty that was signed after World War II with the allied nations Japan cannot arm itself with offensive weapons.

GOVERNMENT FREEZES COMMERCIAL DOLLAR DEPOSITS

PY090041 Madrid EFE in Spanish 2313 GMT 8 Apr 86

[Text] Brasilia, 8 Apr (EFE) -- The Central Bank froze the withdrawal of dollar deposits by enterprises to avoid "a drain" of monetary reserves, it was officially reported today. The decision was made after confirming that private and state-owned enterprises have withdrawn a total of $436 million -- a level regarded as risky for financial stability -- since the government imposed its economic stabilization program a month ago. According to the official statement, the measure is also designed to discourage new foreign loans by Brazilian enterprises, which could try to take advantage of the drop in interest rates to obtain new loans. Brazilian monetary reserves currently stand at approximately $8 billion.

The Central Bank today stated that the enterprises do not have to maintain their own reserves because the government's economic stabilization program guarantees the U.S. dollar exchange rate. The official U.S. dollar exchange rate since 1 March as been 13.80 cruzados, but the dollar is worth 18 cruzados on the black market. The Brazilian Government has taken drastic economic measures to remove the threat of hyperinflation, which was threatening to reach 500 percent by the end of this year, and to guarantee the 5 percent growth goal set for the Brazilian economy in 1986.

DEL VALLE DISCUSSES RELATIONS WITH U.S.

'Full and Smooth' Ties

PY090311 Paris AFP in Spanish 0214 GMT 9 Apr 86

[Text] Santiago, 8 Apr (AFP) -- Foreign Minister Jaime del Valle today said that the U.S. Government has changed its attitude toward Chile, although the substantial parts of the diplomatic relations are full and smooth. Del Valle said that there had been a change in attitude on the part of the U.S. Government which this year voted in favor of the report made by Fernando Volio on human rights in Chile in comparison to previous years when the U.S. Government abstained, therefore the change in attitude cannot be denied.

However, on 7 April U.S. Ambassador to Chile Harry Barnes said that the general guidelines of the U.S. policies have not changed. He said that the essential elements of the U.S. policies toward Chile such as the importance the U.S. Government gives to democracy and respect for human rights have not changed. Richard Shifter, who in Geneva led the resolution condemning Chile, recently said in New York that the resolution sponsored by the U.S. Government does not represent a change in U.S. policies. In the meantime it was recalled in Santiago that 3 weeks ago Donald Regan, the White House chief of staff, said that his country is not for the time being seeking to overthrow Augusto Pinochet because there are other means to lead to Chile toward a more democratic way of life.

Shuttle Mission, Reagan Letter

PY090054 Santiago Domestic Service in Spanish 1700 GMT 8 Apr 86

[Excerpts] Chile plans to send lab equipment on the next flight of the U.S. space shuttle. This information was released by Foreign Minister Jaime del Valle, who explained that this is the result of the agreement signed between Chile and the United States regarding the enlargement of the airfield on Easter Island.

During his conversation with the press, Minister del Valle referred to the letter sent by the U.S. President to President Pinochet, saying that the government will answer the letter at the appropriate time. He added that the content of the letter is known only to President Pinochet.

[Begin Del Valle recording] [Words indistinct] no one knows the text of the letter, the letter has not been released. The information published by the press has nothing to do with the letter, nothing to do with the text of the letter. It is a private letter which the president will answer at the appropriate time. [end recording]

In conclusion Jaime del Valle said that the people who commented on the letter never had access to it, therefore the comments are false.

BOLIVIAN ENVOY ARRIVES, DISCUSSES RELATIONS

PY041406 Santiago Domestic Service in Spanish 2300 GMT 3 Apr 86

[Text] The new Bolivian consul general to Chile has indicated that the two countries have started a stage of rapprochement and cooperation. The Bolivian diplomat, Jorge Siles Salinas, made this statement at the Arturo Merino Benitez International Airport just after his arrival in our country.

Siles is accompanied by his wife, who is the sister of Foreign Minister Jaime del Valle, and his youngest daughter.

[Begin Siles recording] I am here to carry out consular functions, which are to a certain point unique because for a period of time we had no consul general in the Chilean capital. We are now at a new stage of greater mutual cooperation and rapprochement between two countries that had turned their backs on each other. I believe that we must work for a constant rapprochement in order to overcome this situation, which cannot continue if the two countries belong to the same historical community, and this is the community of the Latin American nations. [end recording]

The new Bolivian consul general said that for the time being he has no schedule for a formal meeting with Foreign Minister Jaime del Valle. Siles stated that this coming weekend will be dedicated to his family, explaining that his three elder children are studying in Chilean universities.

CARABINEROS DISPERSE SQUATTERS IN SANTIAGO

PY070204 Paris AFP in Spanish 1710 GMT 6 Apr 86

[Text] Santiago, 6 Apr (AFP) -- Using tear gas, Carabineros personnel today dispersed hundreds of squatters who were occupying lots in Santiago, wounding 15 people with buckshot and arresting more than a dozen people, the Metropolitan Coordinating Board of Shantytowns has reported. The Coordinating Board reported that several children and women had symptoms from the tear gas used by the large group of policemen who converged on the area located between Lo Martinez and San Francisco, San Bernardo district. Commander Hugo Bustamante, chief of the Southern Carabineros Prefecture, has noted that the police had acted persuasively and that there had been no confrontation because the people dispersed when the police arrived.

According to witnesses, however, one person was wounded with buckshot and the police acted with unnecessary violence. They added that policemen used various types of repressive instruments to move 500 squatters who were occupying a vacant lot of the University of Chile with their meager belongings. Flying at low altitude, a helicopter was patrolling the area.

The lot the squatters attempted to occupy is located near the Silva Henriquez, Cardenal Fresno, and Santa Elena shantytowns, where the unsuccessful squatters retreated to escape from the police and where they received the support of the residents. Carabineros sources have reported that only 200 people were involved in the occupation attempt.

Pablo Urzua, a spokesman for the Coordinating Board, has said that nearly 300 homeless families converged on the area early on 6 April to demand that their housing problem be promptly solved by the authorities. Gonzalo Taborga, a leader of the Chilean Human Rights Commission, has called on doctors residing in Santiago to treat those injured during the nearly 3-hour incident, among whom were children and women.

According to official figures, the housing deficit in Chile stands at 700,000 houses.

FOREIGN MINISTER ON 6 JUNE CONTADORA DEADLINE

PA081433 Bogota Radio Sutatenza Network in Spanish 1223 GMT 8 Apr 86

[Report by Juan Carlos Martinez from the Presidency of the Republic]

[Excerpt] Upon his arrival at the presidential mansion, Colombian Foreign Minister Augusto Ramirez Ocampo highlighted the contents of the Panama document, which was discussed over the weekend on Panama's Contadora Island as an attempt to bring peace to the tumultuous Central American region. Here is Foreign Minister Ramirez:

[Begin recording] It must be understood as a desire to end the process of negotiation of the peace doucment. We have worked for the past 3 and 1/2 years on an important. well-rounded legal doucment which introduces deep innovations in international law. It is therefore only natural that being on the threshold of the signing of this document the process of negotiation be closed. We maintain that at this time it is necessary that the Central American countries show goodwill to reach an agreement on the doucment. Contadora cannot continue working for an indefinite period of time. It has mediated in the peace process, but in order to work it needs goodwill on the part of the parties involved.

In Panama we discussed this for 3 days. Twelve countries agreed on a document that was given the name the Agreement of Panama. Nicaragua, however, chose to reject the agreement, claiming that it cannot make a commitment at this time due to the threat it faces on the part of the U.S. Government.

We believe that a decision must be reached regarding the peace document, and that therefore, the negotiation process must end within the next several days. We have asked the Central American countries to confirm within the next 8 days whether they want to close the negotiations, and therefore whether they agree to the signing of those agreements on 6 June in Panama. [end recording]

ANTIDRUG MEETING WITH DOMINICAN REPUBLIC BEGINS

PA041309 Paris AFP in Spanish 2307 GMT 3 Apr 86

[Text] Cartagena, Colombia, 3 Apr (AFP) -- A joint Colombia-Dominican meeting to coordinate the struggle against drug traffic began today in this Colombia port. Nazly Lozano, Colombian deputy justice minister, the deputy health minister, and police, customs, and Foreign Minsitry officials are participating in the discussion.

The Dominican Republic is represented by Deputy Attorney General Francisco Cadena, General Jose Nunez, deputy chief of police, and delegates from several government agencies. It is worth mentioning that similar forums with other area countries have already been held in an effort to reach a consensus to tackle this problem more successfully and to step up the drive against the use of drugs.

CREATION OF GOVERNMENT NEWS AGENCY DISMISSED

PA082207 Bogota Radio Sutatenza Network in Spanish 1200 GMT 8 Apr 86

[Text] The communications minister has dismissed the creation of a government-operated news agency in Valle del Cauca Department as the result of the various reports regarding the public order situation in this area.

Minister Nohemi Sanin Posada told Radio Sutatenza that misinformation [tremendismo informativo] occurs in this department. He has asked Valle del Cauca journalists to consult the sources of their reports prior to disseminating them. The appeal was made especially to the radio stations.

[Begin recording] [Sanin] (?The government) has never wanted to have a news agency of its own. Apparently, this has made it easier for the Valle del Cauca journalists to disseminate distorted reports. The journalists should consult their sources 24 hours, day and night, on any and all reports about the public order situation. It is a great responsibility to report acts of terrorism and public disorder [words indistinct]. We are going to (?control) the journalists' work and, above all, demand greater responsibility [words indistinct] in this direction from radio stations.

[Reporter] [Question indistinct]

[Sanin] Among others, but only in Valle del Cauca Department. This occurs in this department only, but spreads to the entire country because communications take place on a nationwide level. I take this opportunity to ask all of you to confirm reports because, as you have said [words indistinct]. [end recording]

Minister Sanin Posada has dismissed reports of the creation of a government-operated news agency in Valle del Cauca Department to handle information on the public order situation which is, as is well known, a delicate matter in this area of the country.

SOLDIERS FIND 30 BODIES OF TORTURED REBELS

PA052323 Bogota Radio Sutatenza Network in Spanish 1200 GMT 4 Apr 86

[Text] Bogota -- More than 30 bodies of guerrillas were found in the rural area of Toribio municipality, Cauca Department, by Rifle Battalion soldiers. The guerrillas were members of the Ricardo Franco subversive movement headed by Javier Delgado. The guerrillas were killed through a framework of an internal struggle within the organization.

In December, in Tacueyo, Cauca Department, 28 common graves that held 138 bodies were found. These people were killed because the leader of the seditious group wanted to protect the purity of this subversive movement.

Cauca residents have described the cruel killings of the 30 guerrillas whose bodies were found in 3 graves in the jungle areas of Toribio municipality as an act of madness. Rifle Battalion soldiers found the brutally tortured bodies. The soldiers said that what they saw was inhuman and Dantesque.

These 30 bodies are added to the 138 bodies found recently near the town of Tacueyo. According to the leader of the Ricardo Franco Front, these people were killed because they were soldiers who had infiltrated the guerrilla movement.

BRIEFS

NEW ENVOY TO SPAIN -- Pedro Gomez Valderrama, the new Colombian ambassador to Spain, will travel to Madrid on Thursday. He will present his credentials to King Juan Carlos de Borbon on 10 April. [Summary] [Bogota EL SIGLO in Spanish 1 Apr 86 p 3 PA]

OPPOSITION LEADERS CRITICIZE PRESIDENTIAL SPEECH

PY041830 Asuncion HOY in Spanish 2 Apr 86 p 13

[Text] Commenting on the presidential message, Waldino Ramon Lovera, president of the Colorado Popular Movement [Mopoco], has stated: "For me, the 1 April presidential message to Congress was the repetition of an old movie; I would say with a single and exclusive actor, the same libretto, and a large number of second-rate actors who applauded unendingly."

"The president cannot face the tangible crisis strongly affecting all social sectors, much less solve it. Instead he appeals to memories of political episodes which, although in their time were rather conflictive and mournful, belong to the past. The president's shrewdness should tell him that they are no longer remembered, once and for all, because to remember them would radicalize even more the disagreements among Paraguayans; instead, and for the sake of a national reconciliation, they should be forgotten and judged by history.

"The truth is that with the same arguments, unfortunately, the president is trying to justify more than 3 decades of the country's disgrace and decline."

"In my opinion, the most important issues, which really concern the people, are not tackled with realism and patriotism; issues such as the repressive escalation unleashed against the democratic opposition; the social conflicts affecting the landless peasants; the urgent need to find a solution to the serious economic crisis; the venality of public officials; the contraband and drug trafficking; and the moralization of the government structures."

"The people are demanding solutions to the serious problems, and the presidential message gives no answers nor possible signs that they will be treated or resolved. The presidential message does not even mention such serious conflicts. Apparently the president believes that we are living in a paradise, although the real situation is quite different."

"I want to discuss specifically the subject dedicated to the national dialogue and to the church initiative, which has generously opened the path to dialogue. The presidential message has been unfortunate in this respect. It is obvious that the president's intention is to avoid this important matter with phrases that reveal a threatening and even humiliating reference to our church, which is intolerable."

Doctor Fulvio Hugo Celauro [Liberal Party member] has questioned the omission by the president in his speech of subjects such as the illegal purchase, at preferential rates, of foreign currency and contraband. He said that these events have really "hurt" the president, and that they have had the same effect on "everyone, because we have seen with great interest the self-assurance and strong hand with which the president decided to stop that greediness that has been affecting many to the detriment of the country, practically taking away the fruit of the Paraguayan effort for the benefit of a few powerful."

He added: "With this he has gained the appreciation of many, but obviously, at the government and party level, this has also caused some rough edges, the indifference of some Colorado party members, some of whom are powerful because although I do not say that all Colorados participate in a situation like this, I do say that many smugglers and many of those who have acted with impunity ransacking the national treasury, have done so under the protection of government members."

"This has been particularly noticeable because it is the first time I have heard people say so often, and many people say with anger and a certain emphasis, that President Stroessner has been in the government for too many years."

Joaquin Atilio Burgos, president of the Liberal Party, stated that he did not find any difference between the speech delivered by the president of the Republic at the opening of the congressional session and previous speeches. He said: "They all came from the same mold." He also justified his party's decision to attend the ceremony.

"The Liberal Party bloc decided to participate in the ceremony simply because we have always participated and because our presence does not mean support of the president of the Republic or to the government policy."

"The country's economic situation is critical to the point that we are experiencing shortages of many products. This shows that undoubtedly there is an economic error that must be corrected immediately." He thus referred to the president's remarks that "inflation is under control."

OPPOSITION FIGURES TO ATTEND ARGENTINE SEMINAR

PY071545 Madrid EFE in Spanish 2057 GMT 6 Apr 86

[Text] Asuncion, 6 Apr (EFE) -- The top leadership of the opposition to the Paraguayan regime of General Alfredo Stroessner will go to Buenos Aires en masse to participate in a seminar on democracy sponsored by the ruling Radical Civic Union [UCR].

The seminar, organized by the Arturo Illia Foundation and the UCR, will be held in Buenos Aires from 10 to 12 April. Outstanding Latin American democratic leaders will participate.

The following Paraguayan representatives will participate in the seminar: from the Colorado Popular Movement [Mopoco], Waldino Ramon Lovera; the social democrat Febrerista Revolutionary Party [PRF], Fernando Vera; the Authentic Radical Liberal Party [PLRA], Miguel Angel Martinez Yaryes; and the Christian Democratic Party [PDC], Alfredo Rojas Leon.

These four parties, all illegal except for the PRF, make up the National Accord coalition. They have proposed a broad dialogue with the mediation of the Catholic Church, seeking a democratic solution to Gen Stroessner's regime.

Mopoco, a dissident faction of the Paraguayan Government Colorado Party, will propose in Buenos Aires continental solidarity with the struggle for democracy in Paraguay, a Mopoco spokesman has reported.

FINANCE MINISTRY REPORTS 1985 DEBT FIGURES

PY071147 Asuncion HOY in Spanish 3 Apr 86 p 11

[Text] According to a Finance Ministry report for 1985, the Bank of Brasil, the IDB, and the World Bank are, in that order, Paraguay's main creditors. The three banks account for $346.9, $249.7, and $241.5 million, respectively, of the Paraguayan debt. These figures correspond to the disbursed loans minus the amortization. The report states that the ministries of public works and defense account for 50 percent of the administration's debt.

The ANDE [National Electric Power Administration] and the INC [National Cement Industry] are the most heavily indebted autonomous agencies. The administration's main creditors are the Bank of Brazil and the World Bank, while the main creditors of the autonomous agencies are the Banque Worms, the IDB and the Bank of Brazil.

On 31 December 1985, the administration's (executive, legislative, and judicial branches) accumulated, disbursed debt stood at $995.4 million. However, on the same date, the administration's debt balance stood at $828.4 million, after deduction of the amortizations.

Going by the accumulated, disbursed debt minus the amortization, the ministries of public works and of defense are the administration's most heavily indebted sectors. The Public Works Ministry debt balance stands at $286.7 million, while that of the Defense Ministry stands at $2.4.4 million. Therefore, these two ministries account for 60.5 percent of the administration's foreign debt balance.

According to the Finance Ministry report, the transportation and communications sector has received the largest portion of the credits, because it accounts for $287.2 million, or 34.7 percent of the administration's $828.4 million debt balance. The industrial and agricultural sectors account for $89.3 million (10.7 percent) and $122.5 million (14.8 percent) of the debt balance, respectively.

The administration's main creditors are the Bank of Brazil and the World Bank, which account for $284.4 and $228.7 million, respectively, of its debt.

The ANDE and the INC are the most heavily indebted autonomous agencies. Their foreign debt balance stand at $215.8 and $185 million, respectively, accounting for more than 50 percent of the total debt owed by the autonomous agencies. In the area of these agencies, the energy sector has received the largest portion of the foreign credits, because it accounts for 29.1 percent of the autonomous agencies' total debt. The industrial and transportation, and the communications sectors account for 26.5 percent and 22.5 percent of the total debt, respectively.

The Banque Worms, the IDB, and the Bank of Brazil are the autonomous agencies' main creditors, accounting for 51 percent of their debt, according to the following breakdown: Banque Worms $152.8 million, IDB, $126.2 million; and Bank of Brazil, $98.5 million. According to ECLA, on 31 December 1985 Paraguay's disbursed debt stood at $1.85 billion, revealing a 12-percent growth compared to the balance in 1984.

FOREIGN MINISTER SAYS ARGENTINE RELATIONS GOOD

PY071916 Asuncion EL DIARIO in Spanish 7 Apr 86 p 11

[Text] Foreign Minister Carlos Augusto Saldivar yesterday termed as "normal and good" our relations with Argentina. he condemned any interference in the domestic affairs of other countries, and asserted that "in this regard Paraguay maintains a firm, coinciding, and permanent stance."

The foreign minister made these comments yesterday morning shortly after arriving from Buenos Aires, where on 3 and 4 April he participated in a meeting of the River Plate Basin foreign ministers. Minister Saldivar headed the Paraguayan delegation to the meeting.

Upon his arrival at the International Airport, Saldivar said "the results are very positive for the development of this organization, because during this special meeting we thoroughly analyzed the objectives of the River Plate Basin and we reviewed the progress made so far. We came to the conclusion that we should act with pragmatism, permanently safeguarding the interests of the member countries."

He also said that during the special meeting "they approved the report submitted by the Coordination Committee as well as the Paraguayan proposals regarding the integral development of the Paraguayan Chaco region."

Among the proposals mentioned was the financing of the feasibility study for the construction of a highway in Paraguay from Mariscal Estigarribia via Lagerenza to Palmar de las Islas. This proposal was approved by the foreign ministers. "We also took advantage of this meeting to clearly state our domestic policy and the level of our relations with the countries with which we maintain diplomatic relations and, mainly, our stance regarding interference -- which the Paraguayan people will by no means permit -- by interests that are alien to our tendencies." Saldivar emphatically said that "Paraguayan problems must be solved by Paraguayans."

Minister Saldivar was asked whether the fact that during the meeting, Paraguay had clearly noted its stance of not admitting the interference of alien interests in domestic affairs was promoted by the rumor some time ago that Alfonsin's government had, to a certain degree, interfered in Paraguayan Government affairs. Saldivar answered: "We have a very firm, coinciding, and permanent stance in this regard... Paraguay has been a free and independent country since 1811, and it ratified this fact with the sacrifice made by Marshal Lopez in 1870 ['Triple Alliance War' and now, under President Stroessner's government, it has been constant in its domestic and foreign policy."

The foreign minister went on to state that "in my capacity as foreign minister, I have ratified this unwavering stance of Paraguay from every forum, not only at the United Nations and the OAS."

He was also asked whether he and Argentine Foreign Minister Dante Caputo had reviewed Argentina-Paraguayan relations. Saldivar answered that "we reviewed bilateral relations with all the foreign ministers that attended the meeting..."

Regarding Yacyreta [Hydroelectric Dam Project], he said he thought implementation of the project would suffer no more delays. Saldivar mentioned the Yacyreta and Itaipu enterprises as a sign of integration, and also recalled the Friendship Bridge [between Paraguay and Brazil] and the construction of the bridge between Posadas [Argentina] and Encarnacion [Paraguay].

Regarding the exploitation of natural resources, which was discussed during the meeting, Saldivar said that "financial support is needed more than anything." He ended by stating that "any project requires a financial effort and we are now experiencing a time at which the crisis is finally being felt, in which the crisis is real, visible, evident, publicized, and global."

SPOKESMAN CLARIFIES WAGNER COMMENT ON U.S. TIES

PY082340 Paris AFP in Spanish 2229 GMT 8 Apr 86

[Text] Lima, 8 Apr (AFP) -- A Peruvian Foreign Ministry spokesman today denied reports that Peru could break off relations with the United States if the U.S. Congress approved a bill granting economic aid to the Nicaraguan anti-Sandinist rebels. The spokesman made the statement to deny local press reports on remarks to this effect attributed to Foreign Minister Allan Wagner Tizon.

According to the spokesman, the confusion stemmed from the fact that Wagner reaffirmed President Garcia's recent statement that Peru would break off relations with any foreign power that invaded Nicaragua. There is a great difference between what President Garcia said and the remarks attributed to Foreign Minister Wagner, the spokesman said.

GOVERNMENT TO SEEK U.S. COMPENSATION FOR DEATHS

PY060023 Paris AFP in Spanish 1758 GMT 5 Apr 86

[Text] Lima, 5 Apr (AFP) -- Peruvian Health Minister David Tejada has stated that the Peruvian Government will ask the United States to pay $20 million as compensation because U.S.-donated saline solution bags used to treat dehydration recently killed four Peruvian children and put the lives of millions of Peruvian minors in jeopardy. The minister said last night that the chemical composition of the saline solution (apparently containing too much potassium) given to four children who died 2 weeks ago at the Cayetano Heredia Hospital caused the deaths. The four minors, Diana Vasquez, Carlos Lopez, Alberto Pastrano, and Juana Barreto, aged between 7 months and 1 year, died in the rehydration ward of Cayetano Heredia Hospital just a few hours after being admitted.

The minister mentioned the deaths of only four children, but police reports have indicated that three other children, whose names have not been released, died in the same hospital under similar circumstances. Minister Tejada said that preliminary analysis of three saline solution bags from the batch donated by USAID in 1984 showed that the contents of one of them did not comply with the prescription. The minister explained that this bag contained 280 parts of potassium instead of the 20 parts it should have had. The minister, who looked into the case personally, said that the saline solution bags (hidratas) have been withdrawn from circulation to prevent further casualties.

Tejada emphasized that 2,800,000 saline solution bags produced by the U.S. Matemalsoco Corporation in Spring Valley, New York, have been brought into the country by USAID since April 1984. The minister explained that USAID and the U.S. Embassy in Peru have displayed interest in the case and have sued the company that produces the saline solution bags. After saying that the money sought as compensation will be used to fight infant diarrhea, Tejada indicated that the deaths were accidental, and USAID, whose assistance is very useful for Peru, is not to blame.

INTERNATIONAL COMMISSION REPORTS ON HUMAN RIGHTS

PY051318 Paris AFP in Spanish 2230 GMT 3 Apr 86

[Text] Lima, 3 Apr (AFP) -- An international commission of legal experts today recommended that the Peruvian Government reestablish constitutional guarantees and civilian authority in the emergency zones, where troops are fighting the Maoist Shining Path guerrillas, in order to stop human rights violations. It is important that under any circumstances the Armed Forces must remain under the control of the executive branch. This was one of the 40 recommendations that the International Commission for the Investigation of the Human Rights Situation in Peru submitted to President Alan Garcia.

The scope of the extensive report, which was drafted by a commission that is headed by Nobel Peace Prize Winner Adolfo Perez Esquivel, was explained at a press conference today by Jose Martin Pallin (Spain), Charles Burquel (Belgium), and former FRG Deputy Walter Schewenninger. The report does not give figures or disappearances, extra-legal executions or political prisoners during the nearly 6 years of anti-guerrilla fighting, but it does mention that up to June 1985 there were 1,325 missing people. Referring to the missing, a paragraph in the report states that some sources and officials with which the commission worked assured us that that figure should be multiplied by three or four.

Martin Pallin, one of the vice presidents of the commission, also said that the members of the commission had received reports of some 40 or 50 disappearances after Alan Garcia assumed the Presidency of Peru in July 1985, and that they heard rumors -- with no greater details -- about possible actions carried out by extreme rightist groups parallel to the guerrilla actions. He stated, however, that a significant improvement in the human rights situation had been noted since the young Social Democratic leader came to power.

The report mentions the existence of some 1,000 political prisoners in Peruvian jails, but the jurist said that, according to the national attorney's office, the number of cases tried for terrorism by the end of 1985 totaled 1,995. The document also proposes that the paramilitary groups and the encouragement of indigenous forms of security organizations (peasant patrol groups), whose aim is to stop the escalation of violence in Peru, be condemned and declared illegal. The report demands the periodic publication of a prisoners list, the expeditious trial of those charged with terrorism, and that access to the combat areas be granted to the International Red Cross and human rights organizations in order to contribute to the reduction of violence and the consequent abuses and torture.

The Belgian member of the commission, Charles Burquel, said that the report cannot be regarded as intervention in Peruvian domestic affairs. This task was performed by democrats for democrats, he said, voicing his belief that the Peruvian Government has shown a positive attitude regarding the report.

One of the points of the document requests the training of military and police forces to sageguard respect for the instructions and the laws, especially regarding human rights. Another point of the document suggests the redefinition of the objectives and strategies of the antisubversive struggle in real terms so that the current stagnation can be overcome.

Former FRG Deputy Schewenninger said that during his visit to the emergency zone he saw light armored tanks, Mercedes Benz trucks, and G-3 rifles that his country had sold to Peru for the antisubversion struggle.

Schewenninger said that he has requested that the FRG parliament approve a resolution prohibiting the sale of arms to Peru as long as there is proof that human rights are still being violated. He asserted that very little is known in Europe about the dramatic situation in Peru. The reports states that the commission's activities in Peru, which started in early July 1985, will be permanent. It also admits that its members have failed, as some of the Peruvian Government's efforts have, in its attempts to contact the Shining Path to start a dialogue in pursuit of peace. The report acknowledges that the extreme poverty and the backward regions of Peru give rise to subversion and nourish violence.

MUFARECH HEADS MISSION TO ARAB STATES

PY052100 Lima Radioprogramas del Peru Network in Spanish 1340 GMT 4 Apr 86

[Interview with Senator Miguel Angel Mufarech by an unidentified reporter in Lima -- live]

[Excerpts] [Reporter] Peru has recently resumed official diplomatic relations with Saudi Arabia. Speaking about the Arab countries, we would like to remind you that a Peruvian mission will leave for the Middle East the day after tomorrow. The mission is headed by Senator Miguel Angel Mufarech. Let us talk with Senator Mufarech to learn some aspects of the tour.

[Reporter] Good morning, Senator Mufarech.

[Mufarech] Good morning.

[Reporter] Is everything ready for your departure on Sunday?

[Mufarech] Yes, everything is ready. Last night I had the last meeting with the whole mission. President Garcia and most of the cabinet ministers were present at the Palestinian Arab Club, where we had a cordial meeting and exchanged a number of opinions. The president spoke with the whole mission and gave his last directives to the members.

[Reporter] How many delegates will go?

[Mufarech] Nearly 80, including the ministers who will take turns in going, 1 or 2 per week. There are almost 70 businessmen.

[Reporter] Since this has to do with the prospects for an economic improvement for our country, we all have to encourage the efforts that are being made, and we believe that one of them is the search for an opening of new markets. We wish your mission complete success. Thank you again, Mr Senator, for cooperating with us.

STRIKE WORSENS; MINERAL LOSSES AT $1 MILLION/DAY

PY081815 Lima Panamericana Television Network in Spanish 0330 GMT 8 Apr 86

[Relay from Cerro de Pasco by Alejandro Guerrero]

[Excerpts] Centrominperu [Central Peruvian Mining Enterprise], the most important Peruvian mining enterprise, is experiencing a serious crisis. Thousands of workers of the Cerro de Pasco, Cobriza, Casapalca, La Oroya, and another 11 mines have paralyzed operations in their demand for salary increases. The vast strike, organized by the Centrominperu Mineworkers Federation, which started in late February, is becoming increasingly violent.

At first the Labor Ministry approved a 26 inti-increase -- that is, 26,000 soles -- in the workers daily wage, but this was turned down. Then 48 hours ago, the offer was increased by 6,000 soles, but this offer has also been turned down.

In Cerro de Pasco a total of 3,200 workers at the Lourdes mine have abandoned their work. This strike is costing the country $1 million per day in mineral sales. Tons of lead, silver, and copper remain in the wagons of the Cerro de Pasco industrial railroad. The dialogue with the authorities has been severed, and the situation is becoming more tense.

Centromin has been affected by many strikes, but this one is different because the labor union has refused to send in the customary emergency squad to prevent the water-tight filters into the mine from flooding the underground production galleries. While the strike continues, the mine is flooding.

ALVA CASTRO PRAISES ECONOMIC POLICY RESULTS

PY051916 Lima Television Peruana in Spanish 0100 GMT 5 Apr 86

[Excerpts] Prime Minister Luis Alva Castro today stated that the economic deficit in the first quarter of the year was only 0.6 percent, which is a significant achievement that has not been reached in at least the last 10 years. Alva Castro asserted that steady steps are being taken to start the recovery of the economy. Let us listen to his comments:

[Begin recording] Our anti-inflationary policy has achieved very positive results. I can tell all of you that the accumulated inflation in the first quarter is exactly half of what we had in the first quarter of 1985. This is very important for the country. We have succeeded in slowing the inflation rate, which used to be from 11 to 8 percent per month, to only 3 or 4 percent per month on an average. This is important, because by fighting inflation [words indistinct] we are taking firm steps toward the recovery of our economy. [end recording]

DAMAGE ESTIMATED FROM CUSCO EARTHQUAKE

PY071421 Lima Panamericana Television Network in Spanish 0400 GMT 7 Apr 86

[Text] The situation in Cusco is very critical. According to preliminary estimates, the death toll stands at more than a dozen, the number of injured is over 200, the number of victims at 20,000, and the material damage at over 130 million intis in the housing, education, transport, agriculture, and health sectors.

GOVERNMENT ANALYZES POSSIBLE OIL QUOTA REDUCTION

PA071838 Caracas Television Service in Spanish 0000 GMT 4 Apr 86

[Text] Today the second summit meeting of economic ministers, members of the Democratic Action Party, Confederation of Venezuelan Workers' leaders, and Petroven directors took place at La Casona, the presidential residence.

The objective of the meeting was to analyze the oil situation and to ratify Venezuela's position of not accepting changes in its production quota. The debate was directed by President Jaime Lusinchi.

For 4 hours the alternatives stated in response to the difficult problem caused by the abrupt drop in prices were studied in detail. A decrease in production, according to Venezuelan technicians, would be damaging to our economy and would cause considerable budget cuts, which would affect important development programs.

At the end of this important meeting, Energy and Mines Minister Arturo Hernandez Grisanti told reporters that a strategy will soon be announced that will particularly contribute to the unification and strengthening of OPEC.

[Begin recording] We will continue meeting because our analysis has not yet ended, and we cannot say at this time what -- within the clear position that we have -- is going to be done to prevent a reduction of our production quota, or to establish ways to complement this position with some other ideas that would be our contribution to the OPEC's unity and strengthening. We are working on this and will continue to do so for several days. [end recording]

Hernandez was pleased with U.S. Vice President George Bush's trip to the Middle East. According to the president of OPEC, this could mean a change in the policy of the United States, which has always pressed for a permanent reduction of prices.

Finally Hernandez reiterated his report that a former energy and mines minister, whom he identified only as the person who has requested his resignation from the OPEC presidency, is mixed up in international intrigues that only not affect Hernandez but do a disservice to the Venezuelan nation and the oil industry in particular.

[Begin recording] In the first place, I repeat, this is unusual. You cease to be minister, and you leave behind official government representations. When I go to an OPEC conference I do not represent the Democratic Action Party, I represent Venezuela, the Venezuelan Government, and the Venezuelan nation. Even if we debate internally, I must have assurances that there are no people present who are known to have positions that differ from that of the government and the national representatives; I must make myself felt as the head of a delegation. I cannot believe that he is acting in favor of the country's interest. [end recording]

This analysis of the international oil market's behavior will continue during the next few hours until a final decision is reached. This final decision will be the position the country adopts vis-a-vis OPEC. Of course, a criterion that reflects national sentiment will be sought.

LUSINCHI, CONSALVI MEET O'NEILL, VIEW ISSUES

PA042019 Paris AFP in Spanish 2352 GMT 3 Apr 86

[By Jorge Calmet Wagner]

[Excerpts] Caracas, 3 Apr (AFP) -- Today President Jaime Lusinchi pointed out that the presence in Venezuela of the speaker of the U.S. House of Representatives, Thomas O'Neill, at the head of a delegation of 14 U.S. congressmen represents the opening of a moment "when solutions of force will not lead to anything."

These statements regarding the Central American conflict were made by Lusinchi shortly after O'Neill was decorated with the Francisco de Miranda Order during a luncheon given in his honor at the Yellow House, the Venezuelan Foreign Ministry.

The Venezuelan president emphasized that these solutions of force "could worsen the disagreements" in this area of conflict.

Making a metaphor of the Central American situation, the social democratic president said: "There is a phenomenon here on the great plains, in the so-called Venezuelan savannahs, where a fire sometimes seems to be out; however, it continues underneath, so that while the flame could be temporarily extinguished, it will flare up again later."

Lusinchi added: "We must pay attention to these points, the deep problems, the social conflicts, the injustice accumulated for centuries in these nations."

Lusinchi emphasized: "The United States -- a country with a remarkable heritage, a deep commitment to ideas, democracy, and inalienable freedom -- has to seek these nations as allies."

Foreign Minister Simon Alberto Consalvi, who met with O'Neill before he visited the Congress, pointed out that there are some 300 protectionist bills in the House of Representatives, "which will affect in one way or another the trade of the Latin American countries with the United States." "For Latin American nations to meet their commitments with the International Banks, trade conditions must be wider, more open."

Consalvi warned: "If there are excessive restrictions on international trade, if oil is taxed, for instance, it is obvious that Venezuela will not be able to meet its commitments with its creditors."

Returning to the subject of Contadora and Central America, Consalvi noted his effort in view of the communication difficulties and the limitations on speaking openly in order to avoid meddling in U.S. affairs, and to "express with all clearness" the points of view of Venezuela, Contadora and the Support Group.

Consalvi also noted the nature of the "extremely controversial subject of the U.S. policy " of the $100 million in aid that President Reagan is seeking for the Nicaraguan "contras."

President Lusinchi pointed out to O'Neill and to the 13 U.S. congressmen the "authentic but not subservient" friendship of Venezuela, in order to stress the interplay between "U.S. plurality" and the "Venezuelan plurality" to "act in a civilized way at a moment when a tragedy could occur at any minute."

SYRIAN AIR PASSENGER ARRESTED, FACES QUESTIONING

PY081503 Paris AFP in Spanish 1431 GMT 8 Apr 86

[Text] Mexico City, 8 Apr (AFP) -- Court sources have reported that on 6 April the Justice Ministry arrested Syrian Iyad 'Alawi because he was acting suspiciously. 'Alawi was traveling on a Mexican State Airways (CMA) plane. A CMA plane crashed 9 days ago, causing 166 deaths. 'Alawi was in a sullen mood, visibly nervous, and he tried to run away when he reached the port of Cozumel [as received], located in southeastern Mexico, where he was arrested, according to the sources. The Syrian, who was transferred to this capital today to be questioned, presumably left a bag on the seat of his plane, which was flying the Miami-Cozumel-Mexico City route.

Regarding 'Alawi's arrest, the CMA stressed that the case is now in the hands of the federal authorities. Security has been reinforced at the country's airports since the accident of a Boeing 727 on 31 March in the state of Michoacan, which has been followed by a series of incidents in the air but no more deaths.

DE LA MADRID ADDRESSES IPU OPENING SESSION

PA081951 Mexico City XHDF Television Network in Spanish 0300 GMT 8 Apr 86

[Report by Hector Gonzalez Perez and Judith Alamo -- passages in quotation marks recorded]

[Text] This morning President Miguel de la Madrid opened the 75th meeting of the IPU, stating that lawmakers can contribute to arresting the dangerous upsurge of world tensions.

[De la Madrid] "The social instability that is increasing in many countries must be arrested. There must not be room for further injustice, intolerance, and alienation. The doors to dialogue must not be closed because all of that leads to frustration and violence. Parliaments must promote respect for international law. It is a moral obligation and political imperative to end the systematic violation of international law. This is an unpostponable task because the policy of force is attaining alarming proportions with grave risks to the stability of nations and civilized life."

The president said that parliaments can also contribute to the consolidation of a pluralist association of nations.

[De la Madrid] "Political pluralism is an expression of freedom and democracy. It constitutes an undeniable force for the stability of the world. The IPU is an expression of a pluralist world, tangible proof that the peaceful, constructive confrontation of ideas is possible, as in conciliation in favor of shared goals that far from setting limits, strengthen the best interests of nations."

He added that the world's legislators can have decisive influence to guarantee all of the people's rights to self-determination.

[De la Madrid] "Parliaments can promote the peaceful solution of problems. By definition parliaments at the national level are forums for conciliation and negotiation. At the international level they can also act as natural agents for understanding and for the resolution of disagreements and conflicts in a peaceful way."

President De la Madrid told the 900 delegates from more than 90 nations that today's challenges demand greater creativity and goodwill on the part of peoples and governments, and cited the following example:

[De la Madrid] "The Contadora Group and the Cartagena Group are unequivocal expressions of the quest for original, genuine, and constructive solutions that respond to the legitimate interests of the region's peoples."

Cuba's Aguirre on U.S. Policy

FL072240 Mexico City NOTIMEX in Spanish 2005 GMT 7 Apr 86

[Text] Mexico City, 7 Apr (NOTIMEX) -- Severo Aguirre, vice president of Cuba's National Assembly of the People's Government [ANPP], has asserted that the Latin American people will not remain indifferent to U.S. aggression against Nicaragua and added that U.S. policy on Central America is doomed to fail. After noting that the Reagan administration is trying to provoke an artificial incident between Nicaragua and Honduras, the Cuban official said there is a threat of a direct U.S. intervention against the Sandinist nation.

Interviewed during the 75th IPU conference being held in this capital, he underscored that this meeting will discuss the situation in Central America and will attempt to find solution to U.S. refusal to hold talks with Nicaraguan authorities. He added that this stand coincides with the U.S. supply of military and financial aid to the counter-revolutionary forces that are trying to distabilize the Sandinist government which came to power after Somoza's fall.

On another matter, the ANPP leader asserted that the Third World's foreign debt problem blocks the countries free, sovereign, and independent development and represents a heavy economic burden for those nations. It is not that the countries do not want to pay the debt, it is that they do not have the means to pay it and, at the same time, are investing great amounts of financial and human resources in getting ready for war and building arms, Aguirre said.

The Cuban official favors a reduction of military spending in order to free large financial resources that would help the development of Third World countries. There are 30 million unemployed people and 800 [as received] suffering from hunger, said Aguirre.

GOVERNMENT WILLING TO REDUCE EXPORT OIL SUPPLY

FL080027 Mexico City NOTIMEX in Spanish 1947 GMT 7 Apr 86

[Text] Mexico City, 7 Apr (NOTIMEX) -- Mexico is willing to reduce its international market oil supply if the majority of oil-producing countries reach an agreement aimed at reducing the over-supply, which would allow the recovery of international oil prices. This was said by the Chamber of Deputies' Energy Commission, after Jose Luis Alcudia, under secretary of the Energy, Mines, and Parastate Industry Secretariat, announced that a Mexican delegation will attend OPEC's next meeting.

Joaquin Contreras Cantu, the commission's secretary, said that Mexican cooperation would consist of the reduction by 200,000 barrels a day its supply of exporting crude oil. This would bring its exports level from 1.5 to an average of 1.3 million barrels a day.

He asserted that the Mexican oil authorities are confident that an agreement will be reached among OPEC members and some independent oil producing countries during OPEC's mid-May meeting in order to reduce part of the oil world supply.

EXILED NICARAGUAN BUSINESSMEN MEET WITH CONEP

PA060219 Panama City LA PRENSA in Spanish 5 Apr 86 p 1A

[By Jose Quintero de Leon]

[Text] Members of the Association of Nicaraguan Businessmen in Exile have asked for the fraternal support of Panama's National Council of Private Enterprise, CONEP, to express to the nine foreign ministers who will meet with the Contadora Group their desire to urge the Nicaraguan Government to hold a dialogue with the contras, among others.

The CONEP board of directors headed by industrialist Dulcidio Gonzalez expressed their solidarity with the proposal of the Nicaraguan exiled businessmen, and Gonzalez noted the danger that Panama faces if the sociopolitical situation that exists in that sister Central American country continues. The request from the Nicaraguan businessmen was made in a meeting of the CONEP Board of Directors. The Nicaraguan delegation was led by Mr Fuad Farach, who gave details to his Panamanian colleagues about the efforts that they are carrying out from their headquarters in San Jose, Costa Rica, to combat the communist expansionism that the Sandinist government is carrying out and that threatens the stability of the Central American region.

The visitors added that they have been meeting with various private and political organizations in Panama to request their support for a series of proposals they will make to the Contadora foreign ministers who will meet this weekend in Panama. The requests include proposing that the member-countries of Contadora establish a definite period for concluding Contadora's peace efforts, because it is believed that the delay is strengthening the Nicaraguan regime. Another request is to express support for U.S. President Ronald Reagan's proposal for $100 million to support the struggle of the contras.

UNO LEADER SAYS CONEP 'SPONSORS' CONTRAS

PA072215 Panama City LA REPUBLICA in Spanish 6 Apr 86 pp 1A, 8A

[Article by Reinaldo Labastide]

[Excerpts] Yesterday the statements by a leader of the Nicaraguan Opposition Unity (UNO) caused great impact when he said that CONEP, directed by Dulcidio Gonzalez, sponsors the contras in their struggle against the Sandinist government in Nicaragua.

The preceding statements were learned of during an improvised news conference by Nicaraguans Fuad Farach (private enterprise), Dr Roberto Guillen (Social Christian Party), Edmundo Chamorro (Conservative Party), and Dr Porfirio Molina (Independent Liberal Party in Exile).

Commenting on the $100-million aid to the contras, Social Christian Party leader Roberto Guillen said: "We believe that it is useful and necessary." However, he added: "If it were denied, this would not stop the Nicaraguan people's struggle against the international communism that has been established in Nicaragua." Guillen said that the aid -- $100 million -- could be held up for some time to give Contadora the opportunity to establish a schedule for the FSLN to respond with facts if it is determined to talk with all the internal and external opposition, because we want peace.

He pointed out: "The Nicaraguan people are tired, exhausted of so much bloodshed, and we do not want the bloodshed to spread throughout Central America."

Dr Molina stated that what exists in Nicaragua is a peasants' insurrection, because there are 22,000 capable combatants. He added that if weapons were available, they could arm some 50,000 men. Dr Molina noted: "The whole world must be aware that President Reagan's aid must be granted, otherwise there would be a genocide in Nicaragua, whose responsibility would fall on all democracies of America."

DELVALLE VIEWS REGION IN NEW YORK ADDRESS

PA041822 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Apr 86 pp A1, A10

[Text] "Panama cannot remain passive in the face of Central America's suffering. On the contrary, we took the initiaitve of negotiating a peaceful solution to the regional conflict," Panamanian President Eric Arturo Delvalle stated during a speech he delivered at New York's Council of Foreign Relations. "The struggle must stop," he stressed, although he expressed a "feeling of frustration because the peace process has taken so long." President Delvalle's address before one of the United States' most exclusive foreign relation forums took place during a luncheon held by the council in the president's honor. It was attended by businessmen, investors, bankers, journalists, and members of the academic community. The president's entourage included Dominador Kaiser Basan, Panamanian ambassador to the United States, and David Samudio, Jr., Panama's ambassador to the OAS.

President Delvalle discussed the meeting of the Contadora and Support Groups with representatives of the Central American countries that will take place in Panama next weekend. During that meeting the area foreign ministers will exchange views and establish strategies leading to the signing of the Contadora peace document to end the conflict.

Although the audience's attention and questions focused mainly on the topic of Central America and Contadora, the Panamanian president also discussed Panama's domestic situation, including the refinancing of its foreign debt and its legislative program. He acknowledged that the recently enacted legislative reforms led to a general strike and vigorous protests. He stated, however, that "as a result of those laws Panama's economic program has significantly strengthened our economy." He indicated that "after weeks of deliberations Panama's economic program received the approval of the World Bank, the IMF, and commercial banks." "That accomplishment by our administration is the result of a responsible fiscal policy that the government has implemented through constitutional procedures."

President Delvalle described himself as a businessman who comes from a family traditionally involved in Panama's political life. However, he added that "in Panama, it is not enough to be a good politician. One must also be a wise administrator and attract competent and highly motivated advisers. We are achieving this," the head of state said.

To improve all Panamanians' living standards, "we must strengthen all of the democratic institutions. This will only be achieved if our economy is healthy and growing sufficiently to provide the levels of employment that lead to greater well-being."

The president of Panama also discussed the Panama Canal. He expressed the hope that the United States and Panama will explore the "good ideas of making the necessary adjustments to the amendments to the Torrijos-Carter Treaties passed by the Senate after the treaties had been approved by Panama, as well as Law 9670.

"This offers the opportunity for a strong and powerful nation to show the world that it can be fair in dealing with a less powerful partner."

Most of the audience's questions focused on the Central American problem and President Reagan's request for aid for the Nicaraguan counterrevolutionaries.

The issue became more heated in the United States after the House of Representatives voted down the request for aid that was later approved in the Senate by a narrow margin. For his part, Delvalle said that he was certain the topic would be broached this weekend by the foreign ministers of the Contadora and Support Groups and those of Central America. He said he was unable to elaborate on the matter because he had not discussed it with his colleagues. However, he was optimistic as to the results of the upcoming sessions.

The Panamanian leader answered all the questions sincerely, confidently, and straightforwardly, even though many of them touched on sensitive and controversial issues. He said it was his first address before a foreign audience since he assumed the presidency and that he therefore expected and welcomed questions.

Meets Israel's Shimon Peres

PA051540 Panama City Televisora Nacional in Spanish 0000 GMT 4 Apr 86

[Text] Panamanian President Eric Arturo Delvalle met unexpectedly yesterday in New York with Israeli Prime Minister Shimon Peres. At the end of the meeting, the two leaders told the international press that their talks had centered around political and economic analyses of matters of interest to the two countries they represent. Delvalle and Peres also discussed the areas of conflict in the Central American and Middle Eastern regions that affect Panama and Israel. President Delvalle is due to return to our country tonight.

DELVALLE SAYS ISRAEL GAVE COUNTRY ECONOMIC AID

PA072142 Panama City LA PRENSA in Spanish 7 Apr 86 p 1A

[Article by Flor Quintero]

[Excerpt] In exclusive statements to LA PRENSA, after leaving the diplomatic meeting of the Contadora and Support Groups at the Panama Hotel, President Eric Arturo Delvalle disclosed that "the Israeli Government backed the Panamanian Government when we were negotiating with the World Bank by making several deposits to strengthen the economy and give it a better position so Panama could present its economic proposal without allowing any impositions on it."

Delvalle thus explained the nature of the Israeli economic aid to Panama in "difficult moments," as he had announced at a news conference upon his return from New York last week.

However, due to his rapid departure from hotel and the close protection given by his security agents, we could not get more details about the amount and form of payments of this Israeli economic aid.

In addition, LA PRENSA asked Israeli Ambassador Shaul Gariv about the aid. He said that he has no knowledge of the economic aid mentioned by Delvalle and therefore could not "make a direct comment."

COSTA RICA

MONGE CALLS FOR VOTE ON NEUTRALITY BILL

PA072132 San Jose LA PRENSA LIBRE in Spanish 31 Mar 86 p 3

[Paid advertisement by President Luis Alberto Monge -- uppercase passages published in boldface]

[Text] THE NEUTRALITY BILL MUST BE VOTED ON BECAUSE IT IS IMPERATIVE AND DEMOCRATIC

DECLARATION BY LUIS ALBERTO MONGE, PRESIDENT OF THE REPUBLIC

1. I am very pleased with the favorable opinion on the Neutrality Bill approved by the Legislative Commission in charge of studying this bill submitted by the executive branch on 18 November 1985. This favorable opinion was given, according to the information I have, strictly abiding by parliamentary regulations after their excellencies the deputies listened to arguments pro and con by respectable persons of the country. The bill, signed only by members of the Government Council, will not go to the plenum of the legislature, in accordance with the democratic procedures of the Legislative Assembly.

2. I am aware of the press campaign against the Neutrality Bill. These are arguments that the government of the Republic has repeatedly refuted. They have been endlessly refuted, but still the adversaries of the Neutrality Bill have not given valid reasons for this debate, which has lasted 36 months. Neutrality is consistent with the Constitution, which banned the army as a permanent institution. We defend Western democracy ideologically, politically, and morally, but we are impartial, and we abstain from participating in armed conflicts. Neutrality is in line with the UN Charter, the OAS Charter, and the Inter-American Reciprocal Assistance Treaty. The country's public security and national defense are strengthened with neutrality, guaranteeing the peace commitment of the state. War and its inhuman consequences will be pushed further from Costa Rica when the Neutrality Bill is approved. Most of the people understand these truths, but a minority insists on its press campaign against neutrality. The debate has been widespread and long and, for this reason, the executive branch decided that it is time to allow their excellencies the deputies to make their corresponding decision.

3. Certain deputies are announcing their opposition to the Neutrality Bill at the plenum of the Legislative Assembly. They have this right, and we must all respect it. However, it is not right that a minority is trying to stop the will of the majority. Delaying tactics and filibustering to prevent the discussion of this bill are contrary to the free democratic game. To change parliamentary mechanisms to delay the voting on neutrality is to violate the principles of democracy. I respectfully ask the deputies of all political parties to allow the Neutrality Bill to go through the normal procedure so that the majority can express their will within the framework of the purest democratic spirit and in accordance with the overwhelming opinion of the Costa Rican people, who favor the policy of peace and neutrality.

San Jose, 25 March 1986

EL SALVADOR

PRESIDENT DUARTE COMMENTS ON PEACE PROPOSAL

PA081925 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 7 Apr 86

[Text] Engineer Jose Napoleon Duarte has described as positive a meeting involving Central American presidents that will take place in Guatemala.

[Begin recording] I made a specific proposal to the world that is supported by four Central American presidents. That proposal basically contains four parts, of which only three are known.

The first part involves a simultaneous dialogue of Central American countries affected by internal conflicts. If Guatemala had a conflict with the guerrillas, I would propose a dialogue between Guatemala and its guerrillas simultaneously with a dialogue in El Salvador, Nicaragua, and any other Central American country with a similar problem.

Why? Because there is no doubt that if there is peace in the five Central American countries, then to the extent that we can reach agreements and influence each other, we could also achieve peace in each of our countries, and in turn, in the region.

My second proposal involves the presidents' meeting in Esquipulas in which I will participate. I will ensure that the topics of democracy, pluralism, liberty, the process by which the peoples can achieve self-determination and the citizens of each nation will respect that principle, will be discussed there.

I believe that extraregional problems can be solved if the region honors its moral, social, and international commitments. In view of this, I believe that if we Salvadorans, Guatemalans, Costa Ricans, and Hondurans assume our own responsibilities, then there would be no reason for foreign forces to meddle in the area.

The third proposal calls for political willingness to sign the Contadora Document now. It calls for a final article to be added to the Contadora Document stating that the verification, control, and the organization of the entire verification of this commitment should be handled by a Central American parliament that will be freely and popularly elected in each of our nations. We would give the Central American parliament a reason to exist; that is, to make the political commitment of signing the Contadora Document feasible. That is my proposal and I think that with these general, national, regional, and international proposals we could tackle all problems from a political standpoint, not from a belligerent position. This would bring peace to Central America. It would also debilitate the meddling of other sectors in internal problems because it would bring tanquillity. [end recording]

BAND OF KIDNAPPERS BROKEN UP, SEVERAL ARRESTED

PA060259 San Salvador Canal Doce Television in Spanish 0300 GMT 5 Apr 86

[Text] Farmer Luis Orlando Llovera and former Lieutenant Isidro Lopez Sibrian, who was released in 1983 after being implicated in the murder of two U.S. citizens and the Salvadoran Institute of Agrarian Transformation president in 1980, are currently under arrest at the National Police, charged with kidnappings.

A communique issued this afternoon by the National Police states that authorities are actively seeking former Lieutenant Carlos Zacapa and farmer Antonio Cornejo Arango, in whose farm located in La Libertad Department weapons and political propaganda were found, as filmed by our cameras last Tuesday.

The text of the official communique added: Other people have been arrested as part of the investigations, and several have been released as soon as their innocence was confirmed. Thus far, 10 people have been freed.

The communique further stated: The investigations led to the discovery of the site where the victims were held captive while the kidnappers tried to obtain the sums they demanded as ransom.

The place, which is known as the deposit, will be shown to the media as soon as the necessary evidence is gathered. The communique added: The names of the victims have been omitted for obvious reasons. We can only report that several kidnapping cases have been resolved as of this date. According to the National Police, those implicated will be turned over to the courts. The police reiterate their steadfast determination to fight crime in our country.

This case, which has shocked the Salvadoran public, began last Monday when farmer Luis Orlando Llovera was arrested at the intersection between La Reforma and the road to Santa Tecla in this capital. A few hours later, a joint operation began with the participation of the security corps. Several homes in the high sectors of San Salvador were searched that same day, including the residences of Llovera himself, his son-in-law, former Lt Isidro Lopez Sibrian, and a merchant by the name of Rivera. The following day, the private residence of Antonio Cornejo in the San Benito neighborhood and his farm located in Lourdes canton, La Libertad Department were searched. As we previously reported, two M-16 rifles, one communications radio, and political propaganda were found at Cornejo's farm. Former Lt Isidro Lopez Sibrian was arrested two nights ago in Santa Tecla.

According to unofficial reports, all those arrested belong to a band of kidnappers who have been operating in our country for many years, whose victims have been mostly wealthy individuals, for whom the band received several million colones as ransom. One of the victims was presumably former Foreign Minister Ortiz Mancilla, who was kidnapped for 15 days in February.

The investigation, which had been kept secret all this time, was made public today when Ramon Erasmo Oporto Tereson, who had been arrested under the same charges and whose case was pending investigation, hung himself this morning at a National Police jail. We have found out that he was the brother-in-law of former Lt Isidro Lopez Sibrian. Oporto Tereson used his own clothes to hang himself. It was also learned that he was the one in charge of keeping an eye on the kidnap victims.

We have also learned that cells used by the kidnappers to hide their victims were found in Antonio Cornejo's farm in La Libertad Department.

Sources close to the investigation stressed that the case has no political overtones, despite the friendship that some of individuals implicated in it had with leaders of a political party.

Duarte Comments on Investigations

PA082118 San Salvador Canal Doce Television in Spanish 1900 GMT 7 Apr 86

[Text] President Duarte yesterday reported that 20 individuals involved in the kidnapping case were arrested. He added that the government and the Armed Forces are determined to fully investigate the case regardless of who is involved.

[Begin recording] [Unidentified reporter] Mr President, according to some reports, [word indistinct] death squads during a raid of farmer (?Guevara's) residence. What can you say about this case in your capacity as commander of the Armed Forces?

[Duarte] I knew you would ask that. The Armed Forces are carrying out professional work through their security corps; this is in keeping with my commitment to eradicate death squads in the country. Approximately 6 months ago, during a meeting that included production institutions such as the National Association of Private Enterprise [ANEP], [words indistinct] the Chamber of Commerce, and the cattlemen, they presented a request related exclusively to the problem of kidnappings.

As a result of that meeting, we established a commission made up of four members of the private sector and four members of the government to study all available evidence to correct situations in which we can apply justice and control death squads.

You might recall that approximately 1 year ago, perhaps a little after taking over, I presented before the Legislative Assembly a proposal calling for the establishment of a special investigative commission on special crimes. There were elements in other parties and deputies who refuse to authorize it. However, finally, after a struggle that lasted months, we approved that commission.

All that was done to begin creating structures; we still need to create some technical-investigative structures. That is why we must resort to foreign help or advisers to help us in certain aspects of investigations, because we do not yet have the internal capabilities in certain areas, especially laboratories.

These prompted the investigation of a number of crimes and kidnappings, especially the last five kidnappings. The police and security corps were tasked with carrying them out. In one of them, the Ferracuti case for example, we not only recovered the ransom money, but the police also captured nine of the kidnappers.

We are currently investigating five kidnappings, and the police have already captured about 20 people. They have some data and evidence. I have much information, but, as you will understand, I cannot reveal it. That is the prerogative of the police. This will ensure a full investigation, I hope that we will have completed the investigation in approximately 10 to 15 days. We will provide full details them. Reporters will be invited to the sites where the kidnap victims were held to give you an idea of the importance of the work being carried out by the national police.

As you understand, I cannot give more details, although I know all of them. However, I think it is logical that I should refrain from revealing them to avoid hampering the investigation. This is the most important investigation currently taking place in the country.

[Reporter] This is a delicate sit ation; it is said that top-level members of the Armed Forces, including officers commanding troops, are involved in this. Is this true?

[Duarte] I cannot and must not answer your question; this is not the appropriate time. An investigation is under way. I can assure you that at the High Command meeting I decided to carry out a full investigation regardless of who is involved; I can assure you that. I prefer not to answer your question. [end recording]

ARENA on Kidnapping Ring

PA082115 San Salvador Canal Doce Television in Spanish 1900 GMT 3 Apr 86

[Text] Today the Nationalist Republican Alliance [ARENA] issued a communique regarding the kidnapping ring discovered by the National Police. Regarding the National Police bulletin reporting the arrests and the people involved in the kidnappings, ARENA stated:

1. The defense of the constitutional order is ARENA's basic principle, because only when law, justice, and respect for people prevail can the necessary climate be generated so the all the Salvadoran people may live in peace, progress, and liberty.

2. Regarding to the above-mentioned case, it is imperative to conduct an exhaustive and thorough investigation to unmask and identify all the people involved, regardless of who they are, and to hold them fully responsible for their actions.

3. All those who may be found responsible for committing crimes of any nature should be punished to the full extent of the law so that no crime goes unpunished in the country, and so that justice may prevail as an element guaranteeing the nation's law and order.

Therefore -- the communique added -- ARENA congratulated the national police for their interest in eradicating this social scourge and asked the security forces to continue the investigation of these criminal actions with all due care and diligence. In addition, it urged all political, economic, and social sectors to join this plea to end crime and extortion and support the authorities in this struggle so that law and justice may prevail for the sake of Salvadoran families' tranquillity and security.

UNTS PROPOSES REFERENDUM ON NATIONAL SITUATION

PA061757 Paris AFP in Spanish 1438 GMT 6 Apr 86

[Text] San Salvador, 5 Apr (AFP) -- The National Unity of the Salvadoran Workers (UNTS) last night proposed to the government and the guerrillas to hold a referendum "to find out about the people's opinion on the difficult economic, political, and military situation" that the country is experiencing.

The UNTS, which is made up of more than 100 labor-peasant organizations, gave the Napoleon Duarte government 15 days to respond to its proposal, as well as to the other proposals approved by the "National Forum for Survival and Peace," which ended on Saturday night.

The union groups also asked Duarte to renegotiate the foreign debt in terms that are better for the country and proposed that the foreign economic aid be used "to promote economic and social programs and not to continue the war."

In addition, the forum demanded the withdrawal of representatives of the U.S. Institute for Free Unionism, and the Venezuelan Institute for Popular Education (IVEPO) from the country and the elimination of the Culture and Communications Ministry, which were viewed as agencies "that destabilize Salvadoran union movements."

REPORTERS BARRED FROM FMLN PRESS CONFERENCE

PA072157 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 4 Apr 86

[Text] We will now establish contact with Chalatenango Department, with our sister station, Radio Farabundo Marti, which has a report on a press conference held in territory under our control in Chalatenango Department. Go ahead, Radio Farabundo Marti:

[Begin relay] Yes, Radio Venceremos brothers, once again here is Radio Farabundo Marti with more information. This time it is on an important press conference held in Chalatenango Department on 2 April. Salvadoran people, pay attention to this report from Chalatenango. Between 1000 and 1100 on 2 April, a press conference was held for national and international news media. The news media arrived at the area of El Ocotal canton in Dulce Nombre de Maria jurisdiction where they were received by the FMLN leadership in the zone.

The news media represented were THE LOS ANGELES TIMES, the Mexican newspaper JORNADA, and UPI reporters. These international news media representatives were given extensive information. We had to lament the absence of the national news media representatives who were stopped at the Army's repressive checkpoint at the turnoff to El Cobano.

News media representatives going to the press conference who were prevented from carrying out their mission were from Canal Doce Television, Radio Cadena YSU, and Radio Cadena Sonora. The representatives of those news media were taken to the installations of the 4th Infantry Brigade in El Paraiso. Their fate is unknown. Until 2 April they were being questioned by Colonel Gilberto Rubio, chief of the 4th Infantry Brigade. These national news media representatives have been prevented from fulfilling their informative mission. This demonstrates the demagoguery of the regime when it says that it permits press freedom and that it is promoting democracy in the country.

Regarding the news media that was present at the press conference, they were given extensive information on the operation the puppet Army is carrying out in Chalatenango Department, specifically in the eastern area. It is directed against the civilian population and seeks to depopulate areas controlled by the FMLN. To achieve this criminal objective, the puppet regime of Napoleon Duarte, through its Army, is using many repressive means, including the seizure and destruction of property, homes, and crops of the civilian population of the area as well as the destruction and burning of the countryside. All of this was denounced at the press conference.

The news media representatives were also told of the number of casualties inflicted on the enemy since March in Chalatenango Department and the successful attacks carried out in the first 2 days of April against Duarte's troops. They were a harsh forewarning of what this month will be like for the puppet troops in Chalatenango Department. These blows were carried out on occasion of the celebration of the anniversary of the Farabundo Marti People's Liberation Forces, FPL.

In addition, it was also stressed at the press conference that our offensive capability to annihilate the puppet Army continues in effect. This is shown by the high number of casualties suffered by the Duartist troops in the operation in this department. During March, the number of casualties was 234. The foreign journalists were also told of our political willingness to hold a dialogue which contrasts with the Duarte government's warmongering attitude, servile to the U.S. interests.

This has been a report on the important press conference held here in Chalatenango Department. Go ahead, comrades in Morazan. [end relay]

Thank you brothers of Radio Farabundo Marti in Chalatenango.

GUATEMALA

'NEW RIGHT' REBUKES COMMUNISTS' GOALS

PA081839 [Editorial report] Guatemala City EL GRAFICO on 6 April carries on page 6 the text of a statement issued by a "new, clandestine organization," the "New Right," [Nueva Derecha] in reply to a 3 April statement by the Guatemalan Labor Party published in this same newspaper.

Referring to the Labor Party as a "communist party," the New Right indicated that "in a free country like Guatemala neither Marxism nor communism will succeed in forcibly imposing violent means to seize power."

"The people will not forget the names of the soldiers slaughtered in cowardly ambushes; of the policemen murdered with the only purpose of stealing a weapon from them; of the infants who died in hospital incubators as a result of acts of sabotage against electrical power sources," the statement indicates. It adds that "the people en masse reject and condemn all that which the communist party calls democratic revolutionary process."

In its final section, the five-point statement by the New Right concludes that "the majority of the Guatemalan people reject and are willing to fight communism wherever it may be usurping individual rights."

HONDURAS

'CONTRADICTIONS' IN BORDER INCIDENT AFTERMATH

PA081733 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 8 Apr 86

[By Trino Murillo]

[Excerpts] Events corresponding to the incident that took place in our country's border area with Nicaragua are filled with contradictions. Whereas President Jose Simon Azcona Hoyo has said that emergency aid was requested to transfer troops to the border and to purchase war materiel to repel the Sandinist incursion, an official bulletin issued by the Presidency's own information office denied asking for $20 million in aid from the Ronald Reagan government.

We should recall that President Azcona told the people via radio and television network that he had requested aid and that he would do the same thing whenever needed. Where is the Gordian knot? Was a request made for millions in aid? Was a request made without specifying the amount? Does the mistake lie in the figure? We will bring you a broad report on the matter shortly.

An unidentified Honduran official gave a statement to U.S. reporters, stating that Honduras had fallen into a trap set by the United States regarding the news of a Sandinist incursion into our country during Holy Week. According to the reports published by U.S. news media, the top Honduran official, who wished to remain anonymous, said, among other things: Considering that we are allies, the United States could have at least told us ahead of time what it was going to say so that we would not fall into this somewhat ridiculous situation. Some sources pointed to Presidential Designate Jaime Rosenthal Oliva as the top Honduran official who made that statement to U.S. news media. However, Rosenthal personally made the corresponding clarifications and denied having made that statement.

Our reporters have learned that government officials have begun an investigation of the matter to determine if in fact someone made that statement and who it was, or whether the statement was the product of a journalistic invention made under the cover of the trite phrase: a source who wished to remain anonymous, a source who declines to be identified, or some other similar phrase used by reporters of international dispatches or U.S. newspapers. Some U.S. news media have said that Honduras was pressured into accepting the reports on the Sandinist incursion because the United States had already formally announced that the Sandinists had entered Honduran territory. Honduran civilian and military sources have flatly rejected those reports. They have said that our country was never pressured to report on the Sandinist armed action in our territory. The fact remains that a probe is under way. However, it is not known what measures will be taken if it is proven that a top Honduran official had said that Honduras had fallen into a trap set by the United States.

Nevertheless, contradictions abound. Yesterday, for example, an official communique was issued stating that President Azcona did not ask for $20 million in aid from the United States to deal with the Sandinist aggression. In Washington it is being said that Jose Azcona Hoyo sent a letter to Ronald Reagan asking for that aid. In Tegucigalpa it is stated that the aid requested was merely to transport troops to the zones affected by the Sandinist invasion.

The serious contradictions in official reports are giving rise to confusion among the people. Whereas the government reaffirmed that it had asked for aid from the U.S. President, an official communique denied ever asking the Reagan administration for $20 million. Who can we believe when one considers that President Azcona asked for emergency aid from the United States to transport Honduran troops to the border and purchase material to repel the Sandinist attack during the recent Sandinist incursion.

Yesterday's official communique reveals a number of contradictions, confusing the public and showing an institutionalized misinformation campaign and a lack of credibility. In a recent address President Azcona reiterated: Quote. I am prepared for your military support -- referring to the United States -- whenever needed to defend my fatherland. End quote. Although this letter does specify the amount of aid, the fact remains that a request for emergency aid was made. As can be expected, this situation gives rise to a number of speculations among the people, and this puts the seriousness of the Honduran Government in doubt.

NICARAGUAN AMBASSADOR DENIES INTENTION TO ATTACK

PA082002 Tegucigalpa Cadena Audio Video in Spanish 0000 GMT 8 Apr 86

[Text] Danila Abud Vivas, the Nicaraguan ambassador to Honduras, has asserted that his country is unwilling to attack our country.

[Begin recording] [Abud, in progress] ...take advantage to (?get information) on this matter. Our position has been clear, and President Ortega even told Radio America during an interview that our position will always continue to be to defend ourselves from mercenary attacks at the border but that Nicaragua does not intend to attack Honduras at any time.

[Unidentified reporter] What has been the reaction of the Nicaraguan people to the situation at the border between your country and ours, which you are outlining?

[Abud] Our people are always on the watch and vigilant against any act of aggression and ready to confront any intervention, be it the one being carried out through mercenaries or any larger one by the United States. In this case the Nicaraguan people are clearly convinced that neither the Honduran Government nor the Honduran people are attacking Nicaragua and the Nicaraguan people. Clearly, these are two brotherly nations, and the aggression comes from the northern power.

[Reporter] What has been the reaction to the insistent requests in United States for millions of dollars in aid for the Nicaraguan counterrevolutionaries?

[Abud] [Sentence indistinct].

[Reporter] How have the Nicaraguan people reacted to the U.S. Government's request for millions of dollars of aid for the counterrevolutionaries?

[Abud] In the first place, there has been a complete rejection of this aid, because we feel that it is totally immoral and illegal. In addition, the Nicaraguan people have responded by preparing themselves for the increase in the U.S. aggression that will result from the $100 million, particularly since there is talk that U.S. advisers will be training the contras. This means that attacks will be stepped up in the area, and this evidently increases the danger of a regional war or a direct war by the United States against Nicaragua.

Our people are calm. However, they are firmly ready to defend our homeland if necessary.

[Reporter] [Words indistinct] the Contadora Group in view of this request in the United States, Mr Ambassador?

[Abud] Contadora is meeting at this moment and has been unable to issue a final declaration. I understand that the meeting was suspended at 0100 and that it resumed at 0900 today because there are some discrepancies and [words indistinct] some foreign ministers regarding the tour that some U.S. congressmen have been carrying out through the Contadora member-countries. The Contadora and Support Group governments have firmly and categorically rejected the $100 million, and the most clear example was that of Peruvian Foreign Minister Alan Wagner, who said that Contadora and the Support Group should break relations with the United States if the $100 million is approved, as this would be a completely illegal and immoral action.

[Reporter] Thank you very much. [end recording]

Dear listeners, you have listened to statements by Nicaraguan Ambassador Danilo Abud Vivas, who said that his country is not willing to attack Honduran territory.

CONGRESS PRESIDENT ON NICARAGUAN STAND, CONTRAS

PA072110 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 4 Apr 86

[Text] The members of the National Security Council have met for several hours with the president of the Republic. Present were Presidential Designate Jaime Rosenthal, President of Congress Carlos Montoya, and Ramon Villeda Bermudez, chief of the International Information Directorate.

Upon leaving, the president of the National Congress refused to comment on the subjects discussed and rejected the versions of the Nicaraguan president on the border incidents. In addition, he said that if the military agreement with the United States permits the training of contras by the Green Berets, it will be done.

[Begin recording] [Montoya] This handling of the no-man's-land concept is to justify the intervention in Honduras.

[Unidentified reporter] Will the National Congress consider the expulsion of the counterrevolutionaries from our territory?

[Montoya] I think we have stated that we pursue a policy of open doors for all refugees of any ideological stripe. We want every country to resolve its problems in accordance with the international rules of self-determination.

[Reporter] The talk in this case is about armed men.

[Montoya] Yes, but these gentlemen are engaged in a civil war; they come and enter Honduras, and I have said that it is impossible to control the border. I thought that Ortega's army of over 350,000 men could well guard that border.

[Reporter] Would you therefore agree with joint patrolling by Honduran and Nicaraguan soldiers?

[Montoya] I think that it is the responsibility of the Nicaraguan Government to guard its borders. Since it has so many men under arms, it should place them there to guard that border. [end recording]

PRESIDENTIAL DESIGNATE ON BORDER CLASH, U.S. AID

PA081914 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 7 Apr 86

[By Jose Domingo Flores; passages within quotation marks recorded]

[Text] [Flores] Presidential Designate Jaime Rosenthal Oliva was asked by this station if fighting is continuing on the border following the Sandinist Army's violation of the Honduran territory.

[Rosenthal Oliva] "It was an invasion. (?It was not) a war because Honduras does not want war; it seeks peace. Nicaragua carried out an invasion, and Honduras was able to get them out."

[Flores] It is said that a senior Honduran official, more specifically you, stated that the United States pressured Honduras to request the $20 million in emergency assistance.

[Rosenthal Oliva] "I have heard that I have been mentioned as such, but I have been out of the country. I had gone to the IDB meeting in Costa Rica, and then I went to the United States for eye surgery. Therefore, I was not informed. I was not present at the meeting of the National Security Council on 24 March when, according to the report, the events took place. I was not in the country."

[Flores] What do you say about the statements, which according to Washington were made by a high-ranking Honduran official?

[Rosenthal Oliva] "I do not think they can be flatly judged. I think he was making his own analysis, which does not necessarily coincide with others' analyses."

[Flores] Do you think that Washington moved too fast in informing the Honduran people and the world about the border incidents?

[Rosenthal Oliva] "Apparently it did. The initial reports to the public apparently came from Washington. As I said, I was in the United States, and I learned about the information through newspapers and television."

[Flores] As the person responsible for leading this country, aren't you concerned about the situation?

[Rosenthal Oliva] "Well, the president of the Republic is in charge of leading the country. We follow his instructions, and the government operates as a team in a single direction."

[Flores] With these military maneuvers [with the United States] and the military equipment that has arrived in the country, it is believed that we are on a war footing. What do you think?

[Rosenthal Oliva] "Well, a country that has a country that is arming itself as its neighbor must be ready for any eventuality. However, the Honduran Government has repeatedly stated that we are a country of peace."

[Flores] Can peace be achieved while a neighbor is arming itself?

[Rosenthal Oliva] "Well, all civilized countries seek peace. Many experts say that the only way to achieve peace is to be prepared for war, in other words to have sufficient armed forces to repel any aggression."

[Flores] What can you tell us about the contras?

[Rosenthal Oliva] "I have not met many of them."

[Flores] The president of the Honduran Congress says that the contras are in Honduras.

[Rosenthal Oliva] "Well, I think it would be almost childish to deny that they exist because the U.S. Congress is openly discussing granting $70 million in military aid and $30 million in other types of aid to the contras who are said to be in Honduras. They have to be somewhere. I personally have not met them."

[Flores] It is said that they might be trained in Honduran territory and that the government could give the U.S. authorities permission to do this.

[Rosenthal Oliva] "Well, many things are said."

[Flores] The president of the Congress said this.

[Rosenthal Oliva] "I heard the congressional president's remarks but I think that what he said was that there was this possibility, based on the 1954 treaty. I think it would be very premature to say such a thing. He might have a reason to say this. Maybe he wants Congress to approve some changes in the treaty."

[Flores] Regarding the current administration, it said that there is no leadership in the country.

[Rosenthal Oliva] "Well, when a person wins an election with that number of votes, I think it is quite unrealistic to make such a statement. One has to be a leader to get that number of votes."

[Flores] Why is it said that you were the one who said that Honduras did not request the aid from the United States?

[Rosenthal Oliva] "Well, I speak English, and it is said that the remarks were probably in English. However, I understand that the U.S. reporters have translators or speak Spanish."

GOVERNMENT NOT CONSIDERING ASYLUM FOR MARCOS

PA072147 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 4 Apr 86

[Text] In view of reports circulating that President Azcona Hoyo has held talks with a Philippine archbishop regarding the possibility of granting political asylum to former Philippine President Ferdinand Marcos, the Secretariat of Information has issued a communique clarifying this matter.

At no time has President Jose Azcona Hoyo shown any interest in granting political asylum to former Philippine President Ferdinand Marcos, as was erroneously reported yesterday in the local press, spokesmen of the Information Office of the Secretariat of the Presidency said yesterday.

In view of the situation, the following clarification is made: At midnight on Sunday, 30 March, Philippine President Corazon Aquino held a phone conversation with President Azcona [4-second break in transmission] would grant asylum to Ferdinand Marcos [47-second break in transmission] a regrettable mistake, with unknown purposes.

ARMED FORCES PUBLIC RELATIONS HEAD ON SOVEREIGNTY

PA050332 Tegucigalpa Voz de Honduras Network in Spanish 2258 GMT 4 Apr 86

[Telephone interview with Major Jorge Arguello, Armed Forces Public Relations director, by Juan Bautista; on 4 April in Tegucigalpa -- live or recorded]

[Text] [Bautista] Good morning Major, our microphone is at your service.

[Arguello] Good morning, Juan Bautista. Regarding an international dispatch, I was interviewed a few days ago here in my office by a reporter from THE NEW YORK TIMES about the same issue. The Armed Forces Public Relations Directorate's official reply is a categorical denial that we are being used or pushed around as it has been said. Ours is a sovereign country, and just as we cannot intervene in the internal affairs of other countries, we also have that sovereign right of no one intervening in our problems. We have sufficient capacity to get ahead. Now, regarding a denial of an invasion of our territory by the Sandinist People's Army forces, you have been to the zone of the incident and know perfectly well the situation we are facing and that still persists in the zone of Capire and in the Entrerios Cordillera.

[Bautista] Major, why do you think the U.S. news media and some European international news agencies are conducting a misinformation campaign against Honduras and damaging the country's image?

[Arguello] There are situations which, Juan Bautista, you must understand, I do not wish to refer to them because of my office's responsibility and because we do not want to get involved, and also I am not authorized to give a specific reply; therefore, I wish to abstain from making any comments on the subject.

[Bautista] I understand. I was asking you that because the Honduran Army is being referred to as a puppet, as something controlled by the United States, to do and say what the U.S. Government wants.

[Arguello] I repeat once again that the Honduran Army, the Honduran Armed Forces, has been acting in a very professional way complying with the sacred duty established by the Constitution.

You have witnessed incidents that have taken place and continue to take place in the border zone, where our troop are on the alert and doing their duty. We do not have the least doubt that we are facing a situation in which the Sandinist invasion has really taken place. After listening to Commander Ortega's statements, I am really surprised. It is logical to believe that he is never going to accept everything they are doing against our country. I am surprised by his statements in which he denied that there are problems and that our people, Hondurans, have been affected by the Sandinist attacks. We have proof. You know very well that is so. Right here in my files we have a number of incidents I will mention, such as the problem of the helicopter in which a group of Honduran officers were killed. We have cases of peasants, of the Soviet mines planted in our territory killing Honduran soldiers and civilians. The latest incident took place at the end of January this year, when children were hit by Sandinist troops' mortar fire, killing two. Two others were left disabled. We could mention a lot of cases. As a matter of fact, you, too, have carried full reports on situations we have had to endure from the Sandinists.

[Bautista] Major, referring to another news agency, it has been learned here in Tegucigalpa through ACAN, that General Gustavo Alvarez Martinez, former Armed Forces chief, has been seen several times in Palmerola Air Base, talking to members of the Nicaraguan counterrevolution. What can you tell us about this?

[Arguello] I cannot confirm what you have said, because I have not seen him personally. This is all I can say about this.

[Bautista] The ACAN report datelined Tegucigalpa also says that an ACAN reporter has been threatened. The report says: ACAN correspondent in Tegucigalpa, German Reyes, received threats against his life last night from two unidentified men in downtown Tegucigalpa who tried to pass themselves off as Honduran authorities. The threats against Reyes were caused by a report obtained from a military source which says that Gen Alvarez, former Honduran Armed Forces chief, is an adviser for the Nicaraguan counterrevolution. These are the two paragraphs of the long report which you already know about, Major.

[Arguello] Yes. Well, I thank you for the opportunity to address the Honduran people. Thanks again.

MILITARY OFFICIAL RECOUNTS CLASHES WITH EPS

PA051958 Panama City ACAN in Spanish 1823 GMT 5 Apr 86

[By Armando Cerrato]

[Excerpt] Tegucigalpa, 5 Apr (ACAN-EFE) -- The Honduran Army and the Sandinist forces which since March have been carrying out incursions into this territory recently clashed again, a military official reported today.

Colonel Danilo Carvajal Molina, who is in charge of Task Force 17, which is reinforcing border positions in the Entre Rios mountain range in the eastern El Paraiso Department bordering with Nicaragua, said that there "are still some Sandinists in our territory." The officer explained that from 19 March to this date the patrols have engaged in 29 clashes, leaving a toll of several dead and many wounded among the Sandinists whom he believes "were left behind by a larger group that must be in Nicaragua by now."

So far only five bodies of Sandinists killed in the clashes and seven prisoners from the "Francisco Estrada" and "German Pomares" Sandinist battalions, which include over 1,500 soldiers and were the ones who entered Honduras, have been shown to the press.

The Honduran Army, which has the logistical and economic support of the United States in these actions, has not reported any casualties.

Carvajal Molina pointed out that the combat areas are in very rugged terrain. Sometimes even radio communication with the troops is lost. The military chief showed a video of the Soviet-made weapons left behind by the Sandinists when fleeing from Honduras.

There are RPK machine guns, RPG and SAM-7 rocket launchers, ammunition for these weapons, mines, AK-47 assault rifles, a grenade launcher and a large amount of ammunition for the same, boots, uniforms, blankets, and other war materiel.

"We are very worried about the areas which the Sandinists have mined in our territory, because most of the potential victims are civilians, their domestic animals, and military personnel."

The colonel disclosed that he is supported by artillery of every kind and range, but to date it has been used only for testing and aiming.

Carvajal Molina has 850 men who are trained in mountain warfare and several infantry battalions that were airlifted into the combat area by U.S. helicopters.

NICARAGUA

ORTEGA ON 'SIXTH ARMY' PRESENT IN BORDER AREA

PA090415 Managua Domestic Service in Spanish 0300 GMT 9 Apr 86

[Text] Near the end of a special "Face the People" television program, President Daniel Ortega answered a question about the sixth army in the region and Honduras' becoming another Lebanon.

[Begin recording] [Ortega] There is an army in Guatemala, another in El Salvador, a third in Honduras, another in Nicaragua, and also in Costa Rica, the so-called Costa Rican Civil Guard. It has been said that these armies exist within a constitutional or institutional framework. They correspond to real states with their various problems.

But there is a sixth army that the United States has been creating and developing in Honduran territory near the Nicaraguan border. It is a United States army formed by mercenary forces in the service of United States, that is to say, the counterrevolutionary forces. This is the sixth army.

In addition, there are U.S. troops in Honduran territory. They are there to threaten Nicaragua. They pose as builders there.

Regarding the presence of U.S. troops in Honduras, there is an agreement between the Honduran state and the United States. Legally speaking, there can be no objection. The presence of the counterrevolutionary army does, however, harm the stability of Central America. In the first place, it harms and threatens the stability and sovereignty of Honduras and, naturally, Nicaragua.

This sixth army has been taking up Honduran territory on the border with Nicaragua. This army is included in the U.S. budget. Every year the amount this mercenary army will receive is determined. It is debated whether the aid will be military or humanitarian. To tell the truth, military aid for this army has been delivered in the form of U.S.-made rifles and surface-to-air missiles. The United States is now debating the delivery of $100 million to this sixth army. This sixth army constitutes a threat to Honduras, to Nicaragua, and to the Central American region. This army has been created by the United States in Honduran territory.

[Unidentified reporter] What about Honduras' situation?

[Ortega] This puts Honduras in a very dangerous situation. The country risks becoming another Lebanon. There are mercenary forces in Honduras who have occupied a stretch of its territory. These forces have committed crimes against the Honduran population along the border. Recently, they murdered a priest in Honduras, these freedom fighters of President Reagan. This situation really threatens Honduras' stability and poses a potential danger of Honduras becoming another Lebanon. [end recording]

Discusses U.S. Policy

PA090433 Managua Domestic Service in Spanish 0311 GMT 9 Apr 86

[Text] President Daniel Ortega has reiterated his willingness to meet with the Honduran president as well as with the other Central American presidents.

In the last part of a special "Face the People" program broadcast on television, Ortega said:

[Begin recording] [Unidentified reporter] ... to talk with Honduran President Azcona Hoyo?

[Ortega] I already discussed this situation with President Azcona when he had not yet assumed the Presidency and was attending President Vinicio Cerezo's inauguration in Guatemala. We discussed the matter broadly with him and his team on that occasion. We found them to be willing to find a solution to these problems. We have had telephone conversations afterward, such as the one we had during Holy Week, and we are going to continue to insist so we can advance in a constructive dialogue. Of course, we are willing to meet with President Azcona and with all the Central American presidents, at the bilateral and [words indistinct] levels.

[Reporter] Commander, rightist political sectors that abstained from participating in the 4 November elections have been circulating a so-called proposal for national reconciliation with the blessing of the Reagan administration, which includes, among other things, a cease-fire, amnesty, calling new elections, and so forth. This proposal is really a [words indistinct] factor against the Sandinist Revolution....

[Ortega] Yes. The United States uses some political groups here to promote its proposals. A proposal promoted by these political groups is essentially a Reagan proposal.

[Reporter] The United States has begun two large military operations these days.

One in Honduras, with the "Lempira-86" maneuvers, and the other one in the Caribbean countries with the "Ocean Venture" exercises. In your opinion, what risk do these exercises pose for the region in general, and particularly for Nicaragua?

[Ortega] Well, in a situation such as the one Nicaragua is currently facing due to U.S. attacks, at a time when the U.S. Congress is discussing ways to destroy the Nicaraguan revolution, and the fact that these maneuvers are taking place simulanteously with the debates and voting in the U.S. Congress, we can expect nothing good for peace in the region.

[Reporter] Can overall agreements for the region -- as some sectors have proposed -- be reached under these conditions?

[Ortega] Well, I think that so long as the United States maintains an attitude of confrontation, of war, an aggressive attitude, it will be difficult to reach any agreement. In the meantime, so long as the United States continues to pressure the Central American governments to prevent an agreement, so long as the United States continues sabotaging the Contadora Group's peace efforts, it will be very difficult to reach an overall agreement. [end recording]

U.S. OFFICIALS CITED ON CONTADORA GROUP MEETING

PA082212 Managua Radio Sandino in Spanish 1200 GMT 8 Apr 86

[Text] The U.S. Government has unmasked its torpedoing policy against the Contadora Group. After stating that the meeting in Panama City was a failure, Elliott Abrams said that the attacks against Nicaragua are part of a policy of pressure on our country aimed at forcing us to negotiate.

VOA broadcast a statement last night by the U.S. assistant secretary of state for inter-American affairs, expressed in lousy Spanish, in which the U.S. Government official, self-styled the beast, reaffirmed that the Reagan administration will persist in requesting the $100 million in aid for the contras, whom he called instruments of pressure. [sentence as heard] Abrams will speak today before a U.S. congressional committee.

After despising the Contadora Group's negotiating efforts, representatives of the mercenary forces echoed Washington's assertions that the Contadora Group has failed and is virtually finished.

In an attempt to create confusion, the White House's hawks and some congressmen who favor the continuous attacks against Nicaragua yesterday invented a report that the Nicaraguan delegation received advice from Cubans during the Contadora Group's meeting. The inconsistent lie voiced by a U.S. congressman by the name of Bill Richardson -- one of the congressmen repudiated by the Contadora Group for supporting the contras -- collapsed when journalists asked Contadora Group representatives about the alleged Cuban presence. The only Cubans near the foreign ministers' conclave where three PRENSA LATINA reporters, international agencies confirmed.

D'ESCOTO SAYS U.S. BLOCKING PEACE EFFORTS

PA081436 Managua Radio Sandino in Spanish 1200 GMT 8 Apr 86

[Text] Foreign Minister Miguel D'Escoto last night accused the United States of blocking the peacemaking efforts of the Contadora Group in Central America.

D'Escoto, who returned from Panama last night at approximately 2300, said that the foreign ministers meeting was very positive because the unanimous decision to continue the process of negotiation was reiterated. Foreign Minister D'Escoto said that at this moment conditions are not favorable for signing the peace treaty because it is evident that no country can negotiate matters involving the purchase of defense weapons when it is faced with an aggression such as the one experienced by Nicaragua because of the United States.

[Begin D'Escoto recording] Despite the willingness of the Central American countries to continue the process of negotiation to complete the issues still pending in the draft of the document, at this moment the conditions are not appropriate because the United States continues to block Contadora.

It is evident that no responsible country, no responsible government, can negotiate matters related to the purchase of the necessary means for its defense, or the restriction of these, under circumstances of aggression. Nicaragua is a country that is being attacked by one of the largest powers of the world, we could say the richest and most powerful, militarily speaking, and under these evident circumstances, it [Nicaragua] is not in any condition to discuss the topics pending in the document that have to do with military development and security matters. That is what Caraballeda says, what the Guatemala document states, and what Punta del Este document ratifies. Therefore, this is what we have stated because it is fair and reasonable. Doing the contrary would be illogical. [end recording]

The foreign minister also stressed that Contadora is not only negotiating the document, but it is also a Latin American organization for negotiating peace and to halting foreign intervention.

[Begin recording] Despite the fact that the United States continues to block the possibility of continuing the negotiations of the draft document, it is necessary that we realize that Contadora cannot solely be identified with this draft document or the eventual signing of a document.

Contadora is a Latin American organization to negotiate peace, guarantee the security of the Central American countries, and an organization to struggle against foreign intervention. It also has other duties even if it is not allowed to continue working on the regional global treaty. Contadora has other things to do such as what is doing within the control and vigilance commission between Costa Rica and Nicaragua.

We have asked that a similar commission, sponsored by Contadora, be appointed for our northern border; between Honduras and Nicaragua. These are also very important tasks that more than justify the continuation of this important group and clearly show its importance despite the fact that the drafting of the document cannot continue because the United States is blocking it.

We will continue to put forth our efforts to end the blockade on the part of the United States so that we may conclude the negotiation and get ready for the signing and implementation of the document. [end recording]

NUNEZ DISCUSSES DRAFT CONSTITUTION, U.S. ACTIONS

PA062350 Guatemala City Teleonce Television in Spanish 0400 GMT 5 Apr 86

[Interview with Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly and member of the FSLN National Directorate, by unidentified reporters; place and date not given -- recorded]

[Excerpts] [Question] Commander Nunez, one of the questions that the international community, which is closely following the situation between Nicaragua and the United States and between Nicaragua and its neighboring countries, Costa Rica and Honduras, keeps asking itself is: What would the Nicaraguan people do if war is declared, if they are invaded, if they are attacked? Are the people prepared at all levels?

[Nunez] Whenever I am asked this question I try to answer in the following manner: The possibilities of a U.S. Government or U.S. invasion of Nicaragua are real. They are a world power. The problem is not whether the U.S. troops are capable or not of entering Nicaragua. This they can do. The problem is how those troops will carry out their mission, that is, occupy Nicaraguan territory in the fastest possible time. We have always said that the U.S. problem is not how they will enter the country, but how they will leave. Evidently we are prepared to hold them back and resist their attack. Our strength is our organized and armed people.

[Question] The main concern lies in the fact that if the Nicaraguan people are prepared for a hard and dangerous confrontation, for example a confrontation with the United States, then what will be the reaction of other powerful allies, like Cuba or the USSR? Also, what kind of repercussions would be felt at the Central American level?

[Nunez] In Nicaragua we have won the respect of the international community with our determination, firmness, organization, and capacity to respond to the situations we may encounter. In the face of the possibility of an eventual U.S. invasion, and in order to have the necessary moral authority to demand of all the peoples of the world that they take a specific and strong stance, not only to condemn but also to demand that the United States put aside its interventionist plans, we must be prepared. This is what we are working towards; to respond in an efficient, extreme, and firm manner to any U.S. intervention.

In the event that the defeat of the counterrevolution draws closer, the U.S. Administration is left with a single weapon: intervention. We are not planning on returning to the caves or to clandestine life; we are planning to practice the war of the people; hit the invader wherever he may be, in every municipality, city, house. We will wear, wear, and wear them out, which was Sandino's great idea. We will struggle effectively, but this time we will have an organized and armed people who will not run in the face of intervention.

You are asking me about the general preparedness of our people. If the United States has done something bad, and from our viewpoint some good has come from it because it has given us [words indistinct] some of the few good things that have resulted from this, it is that all the measures it has adopted -- the blockade, cutting off our aid, the murders, financing of the Somozist criminals -- have led our people to understand that in the United States there is a government policy that differs from the feelings of the U.S. people toward the revolution. Therefore, when we say in Nicaragua that the Yankee is the enemy of humankind, we are not referring to the U.S. people, we are referring to the interventionists, those who want a war with Nicaragua.

What repercussions would result from this? First, as I already said, we will defend ourselves with our own resources and efforts. Should an intervention occur, we would not rely on aid from the USSR, France, or the Latin American continent. We would rely on our own organization, our own resources, and our own people to reject the intervention. We would do this before the world [words indistinct] if they should assume such a position. A U.S. intervention would represent a violation of every international law. They would be enforcing the law of the jungle and force on the world. This would be a warning for every country to begin preparing, because after an intervention in Nicaragua, the United States would think that it has the right to betray its allies or intervene in any country of the world. [passage indistinct]

[Question] Excuse me, Commander, on the same question, you have expressed what Sandino said. However, do you think that the Nicaraguan people will respond to a call from the FSLN? There are ill feelings and misunderstandings in Nicaragua; there is no food, there is no soap; there is no toothpaste; the people are not getting the basic products; there is no toilet paper; or many other things that the people need for their well-being.

[Nunez] The Nicaraguan people have taught their leaders a few lessons. One of these is to resolve the problems internally and establish the necessary mechanisms so that the different classes and social sectors can present their demands, express criticisms, and demand answers. They have every right to know our limitations; they have a right to know if something is not being done because of inefficiency or plain laziness. These are some of the lessons we have learned from our people.

Regarding the defense of the national sovereignty, there may be some Nicaraguans who will not respond to that call. But the main forces of the nation, the laborers, peasants, youths, and women, will respond to the call, and we have faith that they will respond.

To further expand on your question, I wish to tell you that in Nicaragua we need more weapons to distribute among the people. Many times we have distributed the weapons that are used for defense training purposes. If we did not have the support of the people, all those weapons would have been turned on us. I have total faith in the people. They will respond adequately if we are invaded. Each person knows what he must do; they know who will occupy the trenches; who will organize the people to defend themselves in case of shelling or bombings; who will be responsible for medical services, etc. All this is necessary for us to respond efficiently in case of an attack.

[Question] Commander, for the past few years the international community has been wondering where the order for Anastasio Somoza Debayle's execution in Asuncion, Paraguay, came from.

[Nunez] When Anastasio Somoza was executed in Paraguay there was a celebration all over Nicaragua, in every city. Evidently our people felt they had been avenged with this execution, and it was even said that the people of Sandino were [word indistinct] that they had struggled even in Paraguay. The information that we received was that this had been a solidaristic action carried out by an internationalist commando, basically comprised of Argentines, and that they were responsible for executing Somoza. If you ask me where the order came from, I would have to say that is was issued by that commando. What is important is that a historic adjustment of accounts was made and that the henchman of the Nicaraguan people paid his dues with his life.

[Question] Commander Nunez, not much is known in Guatemala about what is happening in Nicaragua. We understand that a draft bill for a constitution exists and that it took several years to prepare.

However, we do not know the philosophical principle of this constitution. Will it be a socialist constitution, a liberal constitution? Undoubtedly it will be a revolutionary constitution that will change the context of the 10 previous constitutions Nicaragua has had. Other questions also arise, and these involve problems common in Central America. One of these is the agrarian problem. How does the new Nicaraguan constitution approach the problem of the land? How is private initiative affected? Will there be room for private initiative in the progress and development of the country?

[Nunez] I will try to answer your questions in an overall manner. The drafting of the constitution in Nicaragua is very important, historic and strategic. For the first time in our history our people have participated in the drafting of a political constitution. First of all, I must tell you that every constitution must reflect a specific situation. I think we would be making a mistake if we were to draft a socialist constitution. If we did this we would be overlooking our own reality, the reality of the Central American region, the reality of our continent, and above all the reality of our own country. Therefore, let us put aside the idea that in Nicaragua we are drafting a socialist constitution.

Second, we believe that the constitution must include three main areas. First, it must include the Nicaraguan situation; its social, economic, political, and historic changes. It must also take into consideration the situation of the Latin American continent. The third main aspect is that this constitution must reflect the world's constitutional experiences if these are deemed helpful to us. We are presumptuous, and we do not deny this. We do not want our constitution to be established by traditions. We want to offer a constitution that will include the revolutionary changes occurring in Nicaragua in every aspect of the political, economic, material, and social life. Therefore, when we are asked to describe the kind of constitution we are drafting, we say that it will reflect the current plan being implemented in Nicaragua from every viewpoint. What does this mean?

First, that the principles established by the Sandinist people's revolution be given constitutional status. What are these principles? There are basically three of them: defense of the national sovereignty as expressed by Sandino; the socio-economic changes taking place in Nicaragua; and a real democracy. anti-imperialism, anti-interventionism, nonalignment, a mixed economy, Latin Americanism, Central Americanism, solidarity of the peoples toward Nicaragua and their help in the development of this constitution -- all stem from these principles. This is one of the great components of this constitution; I would even say that they are the political and ideological components of the revolutionary state's new philosophy.

Other important components will be what is described as the general and dogmatic aspects. As reporters you will be interested in the dogmatic aspect, because this includes the establishment of individual and group rights. We are not drafting a constitution that will be valid only in these times; the war is an accident, and it will have to end some day -- at least we hope it will. The day the war is over and the restrictive measures are no longer necessary, the constitution will already include the individual and collective rights of all Nicaraguans. We have included in these individual and collective rights a new aspect, which is the political participation of the people in the management of the state and in the revolutionary changes.

In Nicaragua we do not think that decision should be made without the knowledge of the people. The constitution must establish the right of the people to participate in the decision-making process, in the making of the political, economic, and social decisions.

Several other individual rights have been included; among these we have the right of information, religious freedom, the state's secular nature, and strict respect for human rights. In the constitution we have also mentioned all the treaties that Nicaragua has signed with various international organizations on the issue of human rights. At the same time we defined the socio-economic regime to be implemented in Nicaragua, which should be a mixed regime. This mixed socio-economic regime guarantees the state societies, private societies, cooperative societies, and mixed societies. The main aspect includes the nationalization of the banks, and free health and education. Also of importance is the broad nature given to the agrarian reform and the right to form cooperatives. This was done because of the country's agricultural export nature. The constitution establishes that the peasant has a right to the land and is free to decide what to do with it, together with his family. This land cannot be touched by the state under any circumstances, because the idea of the revolution is that each peasant in Nicaragua should have his piece of land and have the right to make it produce. Likewise, the peasant will have the right to organize in cooperatives. These can be industrial, agricultural, or handicrafts cooperatives. They will have the right to choose freely the type of organization they want.

[Question] LA PRENSA and other media have been closed down. The participation of all the political parties is allowed, but you very well said it and the draft constitution states it: No political parites with Somozist or similar ideologies will be permitted In that case you are pushing aside economic sectors, which are right wing, in a process to integrate a nation. In addition, you said that it is not a constitution with a socialist style. However, you said that you are implementing agrarian reform in which the state can, at any given time and according to the public and state need, take the land away from its owners to distribute it in the agrarian reform.

You talk about respect for private property. However, in the draft constitution the state, of its own free will or in accordance with the government's needs, can -- let's not say take away -- expropriate property. In addition, in your constitution you talk about the just price for the land, but this just price is established specifically by the state. In other words, the state is the great comptroller of all the economy....

[Nunez, interrupting] The administrator.

[Question] Yes, the administrator of all the economy of Nicaragua. Then why do you have these contradictions with aspects of a new liberalism, but then you also include socialistic matters?

[Nunez] Well, I think that the word... [changes thought] [words indistinct] afraid of the word socialism and the word socialistic. On the contrary, we think that we want to have enough culture to control the sciences. [sentence as heard]

But I said previously that the fact that Nicaragua, because of war circumstances, faces a special situation cannot lead us to contemplate this special situation in the constitution would not be valid.

Therefore the experts, like you the press, and the observers would say: They made an effort for nothing. They were unable to draft an adequate and respectable constitution. The Sandinists do not fulfill their commitments. Then, we.... [changes thought] The principle of freedom of the press, freedom of information, freedom of religion, the right to inform and become informed, freedom of thought -- even if we have the emergency law at the present time -- must be established as principles.

If we eliminate the emergency law tomorrow, the principle remains because it was already established. Then it would be a contradiction if we see that what is occurring right now does not negate reality, because there is a war going on. Consequently, we've had to pay a price: for example, when we established press restrictions. [Words indistinct] higher cost which would involve closing a radio station indefinitely, as was the case of Radio Catolica due to the provocations of the church's hierarchy. We had to close that station, you see?

From this perspective, we must see that what we are trying to do is (?implement) a revolutionary constitution that includes the people's individual and collective rights, even if we have restrictions right now. [passage indistinct] In addition, we have the responsibility to respond to a historic claim for demands by our people.

With revolutionary victory we had a total separation in Nicaragua. A society ended, and a new one appeared. A state was destroyed, and a new one was born. It is still brand new, it will be barely 7 years old. It is in the process of perfection, but it involves a revolutionary program.

Therefore, in the past the land in Nicaragua, including the large productive latifundium, was in private hands. The landowners were a minority. The large majorities did not have any rights excpet that which stated that you had to die of hunger. Hopes were born with the revolution. The people wanted to calm their thirst for justice. For this justice the people gave up the lives of 50 [figure as heard] in the final stage of the struggle against Somoza.

One must take away from some to give to others. So, who are we going to sacrifice? Are we going to sacrifice the large majorities or the small minorities? We are going to favor the large majorities, and thus we have to affect the minorities. However, we try to establish a policy in order not to be unjust, arbitrary, or indiscriminate. So when we apply the agrarian reform law, first we attach the unused land, then the abandoned lands, and finally the lands used for counterrevolutionary activities.

We try to promote a policy of understanding with the large producers who are efficient -- and we cannot deny this efficiency -- when we are going to attach their land to give it to peasant families that do not have any land or any way to support themselves. Then, if that person has, for example, 10,000 manzanas, they can give 5,000 of what they have to resolve the problem of peasant families. We are still leaving that person with 5,000 as a way to recognize his efficiency and his productive capacity, even if he is a government opponent. This is, as I mentioned, the difficulty that a revolutionary process has to go through after such a violent change with the ouster of Somoza.

So, we try to.... [changes thought] Sometimes we make mistakes. We cannot deny it. But in applying agrarian reform we are using a policy to benefit the majority. For example, this year we have to resolve the problem of 50,000 families that do not have a place to live and had to be displaced from their places of origin by the action of Somozist counterrevolutionaries who were stealing their goods, invading their properties, and raping their women and daughters, and the families had to flee. Therefore, we have the case that [words indistinct] the country of 50,000 families that must have their land problem resolved in 1986. We must affect somebody. [Words indistinct] this is the sense of agrarian reform which objectively may appear as a contradiction, but we try, as much as possible, to maintain the nature of private property even if we have to face the harshest criticism.

[Question] Sociologically speaking, there can be a denial of a denial in this sense because you are saying that the constitution and the principles are being solely based on the status that Nicaragua has now. However, after a certain time, short-, medium-, or long-term, this status could disappear, so there won't be any reason for those principles. Then a new society or a new Nicaraguan economy would reject these principles. So the people who, as you said, can cause problems to the revolution would not be able to participate in that society. So after time passes there will be a denial of the denial of the current status that Nicaragua is experiencing right now. How can you resolve that problem in the face of these constitutional contradictions?

[Nunez] This draft constitution is merely a draft. But since we are not going to resolve, we want every class or social sector to state what they think of this draft, which you already know. [sentence as heard] They can either tear it apart or make it perfect.

So, before it is approved at the National Assembly this draft will be submitted to national consultations. The consultations we are going to hold will be called town meetings, using the old Indian tactic. These are large assemblies of large, medium, and small producers, industrialists, farmers, businessmen, clergymen, youths, women, workers, and peasants. In these assemblies, after they thoroughly know this draft, they will tell us whether they like it or not and what they want established in the constitution, particularly in their social sector. We want them to tell us and point out the contradictions in it.

We have sought a democratic way in this national consultation so that the constitution won't be drafted only in an office, as is the traditional practice. We feel that we are a parliment that is closely linked to the people. To draft a constitution in an office is what can create the worst historical contradictions. We prefer to meet with the people so that they can tell us: You did a bad job and must draft a new one. But in this type of important decision we want the people's approval and support.

There could be some contradictions in it, but we want, for example, the large businessmen to tell us not only the possible justice we may have made, but how they guarantee their [words indistinct] within the revolutionary process. Within the economic-social system we are defining, I can tell you that we are not afraid of talking with the large producers as long as we get an effective contribution from them.

[Question] But how about the large producers, the medium-sized producers, are they afraid to speak with you? You say you are not afraid to talk with them, but they have shown that they are afraid to talk with you. There are reports circulating in Central America to the effect that they are afraid to talk with you.

[Nunez] I would say that in Nicaragua there are thousands of large and medium-sized producers (?that are demanding) most the importance of establishing mechanisms with the state that will allow for clear and opportune conversations for resolving all the problems. [sentence as heard] There might become who are afraid to talk with us, but I believe that basically there will be a willingness to participate more in this type of assembly, especially since this is a project. I am sure they will answer in a positive manner.

Now, concerning the other aspects, we have pointed out in this constitution, at least in a commission of the FSLN, that we hope -- as Morazan, Bolivar, and Sandino did -- to form part of what they called the great Central American nation, based on mutual respect, equality, and the excellent relations with the other countries, all based on their concepts of sovereignty.

Now, the fact that there are conterrevolutionary bases in Honduran territory, or that there are U.S. bases, does not determine the content of our constitution. I think this is a matter that the Honduran Government and people will have to resolve.

Now, from a point of view of Central American unity, [words indistinct] (?we have been studying) the proposal made by the Guatemalan president on the Central American parliament. We have been studying the proposal. We have also conducted some research on the subject. We believe that this is a topic that the presidents should discuss in Esquipulas, and then later the parliments should meet to better inform themselves of the ideas each one of them has and see the various ideas or alternatives, if the Central American parliment is agreed upon. In other words, the National Assembly is willing to respect an agreement of the Central American presidents on the Central American parliament. Later we could decide on the mechanisms.

[Question] Commander, you have just mentioned what the Central American parliament could be -- according to Guatemalan President Vinicio Cerezo -- a solution, a peaceful solution to the Central American crisis, the Nicaraguan crisis, the clashes with its neighbors, and, particularly, the end to a war with the United States [as heard]. According to you, what is the most tactical solution to the problem? That is my first question. My second question is, what does Ronald Reagan represent for you now? What is Ronald Reagan to the Nicaraguans, and particularly to the Sandinists?

[Nunez] I think ideas later result in experiments, and I think that in connection with the Latin American Parliment there is only one idea that must be thoroughly developed. Furthermore, I believe that one of the greatest decisions that the presidents will face in the Esquipulas meeting is to ask if this Central American parliament is fulfilling a political mission or if it is going to be created for other purposes, such as working for Central American integration, for maintaining harmonious relations among the Central American parliaments, such as [words indistinct]. This is something that should be developed to face the current problems.

I think that the Central American problem can be resolved only through the specific will of the Central American countries on the other hand, in the manner in which Latin America is united as such, with its own claims and achievements in order to establish an order and to have that order respected. By not supporting the Contadora efforts or the Caraballeda declaration, the U.S. President has just mocked all of the Latin American countries, which is the Latin American conscience. As an empire it has kept silent while it finances the mercenary bands operating in Honduras. Thus, in this regard I think it would be too hasty to think that the Central American parliament [words indistinct] could resolve the Central American crisis. It could be effective and play an important role, but decisions will have to be made to this effect.

What is Ronald Reagan to us? He is a sort of international criminal who violates the law, who does not listen to his people, who wants to involve the Congress in an illegal war. Congress has not even called him to account, but it is discussing how to kill our people with multimillion-dollar aid that might amount to $100 or $50 million.

A nation such as the United States that claims to be the champion of democracy is deciding on the future of a small nation of only 3 million people who [words indistinct] of having waged a revolution the U.S. Administration does not like. We think we have our right to order our (?destruction). Why should Reagan decide on that?

If you go to Nicaragua you will see children playing Sandinists and contras. Hardly anyone wants to play the role of a contra; they all prefer to play the role of Sandinists. If you ask a Nicaraguan child who Ronald Reagan is, the child will answer that Reagan is the man who is putting an end to the happiness of the Nicaraguan children. We have reached that extreme in Nicaragua. It has awakened a feeling of hostility, and it has increased a feeling of hostility toward the U.S. Government. It is not just a political feeling. Now then, these ideas serve to point out the impact that this has caused on Nicaragua, that is, this illegal war that Reagan has declared.

[Question indistinct]

[Nunez] I think it is possible. We think that the conditions that the U.S. Administration wants to create are [words indistinct]. I think no Central American or Latin American country would be tranquil if the U.S. Government should decide to send interventionist forces to Nicaragua.

Why do we say there is a possibility of Vietnamization? Because the Nicaraguan problem has become an international problem. The U.S. Government has taken it outside of Central America, and it renders homage to the spirit of McCarthy. Right now the ghost hovering over all of the United States is MaCarthy. Anyone opposing Reagan is considered a communist. That is the extreme that the U.S. Government has reached, it is insane, paranoiac. [passage indistinct]

The threat of an intervention is increasing. There are U.S. bases in Honduras, and there are counterrevolutionary bases. Furthermore, there are bases in the Panama Canal. If there were to be a U.S. intervention, it would not surprise anyone if the first bombers were to leave from the bases at Palmerola and also from the Panama Canal bases. They also want to use the counterrevolution as a factor of diversion of [words indistinct].

Thus, they then create what Daniel calls the war without borders. The war takes off from various territories or combat is held in territories where it is easier to reach victory more quickly, and the war is going on in various fronts. Then tension builds up, and we could end up like the Middle East, like Lebanon, for example. How many nations are involved there? Syria, Libya, Lebanon, Israel, and the U.S. Government caused all the tension in all the (?sons of Allah).

[Question] "Teleprensa" [title of newscast] has presented a special exclusive program with Commander Carlos Nunez, president of the National Constituent Assembly of the Republic of Nicaragua.

VICE PRESIDENT MEETS WITH U.S. CONGRESSMAN

PA052232 Managua Radio Sandino in Spanish 0000 GMT 5 Apr 86

[Text] Vice President Sergio Ramirez Mercado met this afternoon with an official envoy of the U.S. Congress, Les Aspin. No details of what they discussed have been released. After the meeting, Aspin [words indistinct] refused to speak about the topics that were discussed. Meanwhile, Vice President Ramirez continued with his agenda and met with a delegation of three Swiss legislators.

Aspin, representative from Wisconsin, arrived in Nicaragua on Wednesday to see the Nicaraguan situation first-hand.

SOVIET MINISTER ON U.S. CENTRAL AMERICA POLICY

PA072145 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 Apr 86

[Text] Soviet Justice Minister Aleksandr Sukharev [title as heard] is visiting our country to honor an invitation from the Jurists Association of Managua. He held a press conference in which he discussed jurisprudence and international law.

The minister said that there is discontent among all jurists in the face of the U.S. disregard for and violation of The Hague tribunal statutes. This constitutes an agression against international law.

He described as negative the meddling of countries in the international affairs of other nations. At the end of the press conference, he discussed his visit to and pointed out that the most important thing is that the Nicaraguan people know what they are after and what they are fighting for.

While in Nicaragua he visited Regions 4 and 6, where he met with the Jurists Association of Matagalpa and commented on the warmongering attitude of the U.S. Administration.

[Begin recording in Russian with simultaneous Spanish translation] The current U.S. Administration headed by Reagan does not respect the UN Charter or international treaties or agreements. The Reagan administration is trying to involve Nicaragua and its revolution in terrorism; however, the United States is the real promoter of international terrorism. [end recording]

MONGE CITED ON FUTURE OF CONTADORA GROUP

PA040034 Managua Domestic Service in Spanish 0300 GMT 3 Apr 86

[Text] San Jose, Costa Rica -- Costa Rican President Luis Alberto Monge today described the attempts to rehabilitate the peacemaking efforts of the Contadora Group as desperate and dramatic. Monge, who was pessimistic regarding the advances of the peacemaking efforts of the Contadora Group, believes that the future of the group is uncertain because it cannot even set a date for the signing of the peace agreement.

Meanwhile, on 5 and 6 April the four Contadora Group foreign ministers and the Support Group will meet to reach a peace agreement in the region.

AZCONA DENIAL OF U.S. AID REQUEST NOTED

PA081929 Managua Radio Sandino in Spanish 1200 GMT 8 Apr 86

[Text] Honduran President Jose Azcona Hoyo said yesterday that neither he nor his government asked the United States for economic aid during the Holy Week crisis when Nicaraguan troops allegedly crossed into Honduran territory. In a communique issued by the Honduran territory. In a communique issued by the Honduran Government's Press Secretariat Azcona Hoyo said that Honduras limited itself only to requesting air transportation for its troops so tht they could be taken to areas where the Sandinist soldiers had allegedly crossed. The Honduran President described some local and foreign press versions in that Honduras had asked the U.S. President for economic aid as persistent and false.

In March President Reagan ordered $20 million in emergency aid for Honduras for the deployment of soldiers to the border with Nicaragua. According to the U.S. Administration, this aid was requested by Azcona Hoyo's government.

BAHAMAS

FNM EXPRESSES CONCERN OVER RELATIONS WITH CUBA

FL081630 Nassau THE TRIBUNE in English 1 Apr 86 p 1

[By Anthony Forbes]

[Excerpt] The action group of the Free National Movement [FNM] expressed its concern today about the "apparent revived friendliness and cordiality" between the Bahamas and Cuban Governments, saying it will oppose an attempt to establish a Cuban Embassy in Nassau.

The action group also questioned the level of sincerity that exists in an agreement between the Bahamas and Cuban Governments relating to "full cooperation in the interdiction of drug smugglers" when recent events prove both governments have benefited so handsomely.

Cuban Foreign Minister Isidoro Malmierca Peoli last week visited the Bahamas for talks with his Bahamian counterpart, Foreign and Tourism Minister Clement Maynard on matters of mutual interest.

"The action group of the Free National Movement expresses its concern over the apparent revived friendliness and cordiality between the corrupt Pindling government and the communist regime of Fidel Castro," Chairman George Wilson said at a press conference today at the action group headquarters.

"The attitude of long lost brothers, exhibited between the Bahamian and Cuban foreign ministeries and their respective ministers, Isidoro Malmierca Peoli, and Deputy Prime Minister Clement Maynard, is an affront to the memory of the May 10 heroes which for some reason or another has been continuously downplayed by the PLP [Progressive Liberal Party] government," Mr Wilson said.

Mr Wilson said that even if Minister Maynard forgets, the Bahamian people cannot forget that four Bahamian sons were "murdered" in the execution of their duties during the sinking of the HMBS Flamingo off Ragged Island on May 10, 1980, by Cuban MiG jet fighters.

He also said that the Cubans "must yet apologise or express any form of remorse" for their actions.

"The Bahamian people must become very vigilant in light of this new 'excellent relationship' between the Cubans and the Bahamian Government," Mr Wilson said.

CENTRAL BANK RELEASES QUARTERLY REPORT

FL090127 Bridgetown CANA in English 1940 GMT 8 Apr 86

[Text] Nassau, Bahamas, April 8, CANA -- The Bahamas experienced moderate growth in its export and tourism receipts in the third quarter of 1985, according to the Central Bank quarterly report just released.

The bank said that exports for the period were estimated at U.S.74.9 million dollars or U.S.4.2 million dollars above last year; and non-oil imports at U.S.179.5 million dollars for an increase of U.S.17.3 million dollars.

Oil imports fell by U.S.16.3 million dollars to 40.3 million dollars, with domestic imports down by 6.9 million dollars and foreign bunkers, by 9.4 million dollars.

The Ministry of Tourism estimate for tourist spending indicates a foreign exchange inflow for the quarter of 182.5 million dollars, an increase of 6.7 million dollars from a year ago, the bank said.

With the additional 4.9 million dollars of tourist receipts, which accrued directly to government, the estimated gross income from tourism totalled 187.4 million dollars, up 7.4 million dollars from a year earlier, travel outflows rose by an estimated 7.3 million dollars to 44.9 million dollars, the bank said.

Tourist arrivals for the third quarter totalled 629,440 an increase of 9.0 per cent over the same period a year ago. This compares with 3.9 per cent for the corresponding period last year.

The improvement for the quarter was due solely to sea arrivals, which rose significantly by 21.5 per cent to 311,780, arrivals by air dropped by 1.0 per cent to 317,760.

Consumer prices rose by 1.8 per cent during the third quarter, compared with 1.7 per cent in the previous quarter. For the 12 months period ending September, the consumer price index advanced by 4.6 per cent up from 3.7 per cent a year ago.

The rise in food costs moderated to 0.2 per cent from 0.6 per cent. However, on an annual basis, average food prices increased costs advanced by 1.5 per cent, up from 0.2 per cent in the previous quarter.

Domestic credit rose by 21.3 million dollars or three per cent for the review quarter. This is contrasted with a 12.8 million dollar or 2.0 per cent decline a year ago.

The Central Bank's external reserves decreased by 25.6 million dollars or 11 per cent, compared with 15.2 million dollars or eight per cent in 1984.

Commercial bank interest rates for the third quarter continued their downtrend, reflecting in part a relatively high level of liquidity.

For instance the average rate for savings desposits declined from 5.33 per cent to 5.00 per cent.

The bank said debt repayment for the quarter totalled 18.2 million dollars, of which 8.5 million dollars represented external payments. The remaining 9.7 million dollars went entirely towards the retirement of the Bahamian dollar portion of the internal debt.

The national debt outstanding for the quarter was put at 536.9 million dollars.

OPPOSITION PARTY CRITICIZES GOVERNMENT ON IMF

FL071750 Bridgetown CANA in English 1630 GMT 7 Apr 86

[Text] Georgetown, Guyana, April 7, CANA -- The opposition Peoples Progressive Party (PPP) is predicting economic policy changes by the government in line with those advocated by the International Monetary Fund (IMF). In a weekend statement, the PPP accused the Desmond Hoyte administration for selling out to the IMF. It bases its claim on what it said was an announcement by the IMF that Guyana had been included in a new trust fund structural adjustment facility set up by the fund's executive board last March 27. The trust fund would be available to low-income countries currently eligible for the World Bank's International Development Agency resources, the party said.

The PPP quoted its Marxist leader Dr Cheddi Jagan as saying: It is a sad indictment on the Peoples National Congress (PNC) for having dragged a once prosperous country into the category of the world's poorest countries, bedevilled by increasing debt burdens and low incomes. Jagan said he expected retrogressive policy changes by the Guyana Goverment to meet IMF requirements. The party said that Guyana should not qualify for the trust fund, having been declared ineligible by the IMF for further assistance in 1985 because of debts to the institution.

The World Bank and the United States Agency for International Development (USAID) also cut off aid to Guyana, the PPP noted. The fact that Guyana would be participating in this new facility means that a USA/Guyana deal has been struck, the PPP said. It spoke of the silence of the United States Government about disputed allegations of fraud in last December's general election. The PPP statement recalled the attitude the late President Forbes Burnham towards the IMF in 1982 when he said the IMF proposals, calling for further devaluation, denationalisation, and retrenchment were a prescription to riot. Burnham had the political commonsense to reject them... the new administration is taking the IMF road. In the process, the Burnhamites are being side tracked and downgraded, the PPP said. It predicted greater disaster for Guyana if President Hoyte travels the IMF road, and said patriotic Guyanese should resist this course.

STATE CORPORATIONS BEGIN 'LARGE SCALE' STAFF CUTS

FL051919 Bridgetown CANA in English 1612 GMT 5 Apr 86

[Text] Georgetown, Guyana, April 5, CANA -- Guyana's myriad state-owned corporations, mandated by government to lessen their dependence on the public purse, have begun large scale staff cuts, well informed sources here said today. About 200 workers at Guyana Transport Services Limited, some of them close to retirement age, have been sent notices of retrenchment, the sources said. Similar notices have also been served on dozens of staffers at the Guyana Pharmaceutical Corporation and at least 40 workers at the Guyana glassworks have been redeployed to other government agencies with less bleeders capacity.

President Desmond Hoyte, on two occasions this year, warned that his financially beleaguered government could not longer afford large subsidies to bleeders of the economy -- state corporations and agencies which do not make money. Making profits is important, he declared during one meeting with managers of these operations. Finance Minister Carl Greenidge, in his 1986 budget February 28, said government wanted Guyana's public corporations to convert their 1985 operating deficit of G58 million dollars (1 Guy doll; 24 cents U.S.) to a G123 million dollar surplus. A statement on the situation is expected from the Ministry of Manpower within a week, the sources said.